

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 22 March 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

KENNETH GRAHAM
Clerk

Membership

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Collette Stevenson (South Lanarkshire Council)

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

Video Conferencing

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

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.

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 <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email

democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Items of business

Apologies

Apologies from members.

Declarations of Interest

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

- | | | |
|-------------|---|----------------|
| 1 | Minute | 1 - 8 |
| | Minute of meeting of the Executive Sub-committee held on 25 January 2019. | |
| 2 | Revenue Budget Monitoring | 9 - 12 |
| | Joint report by Treasurer and Director of Scotland Excel. | |
| 3 | Annual Audit Plan 2018/19 | 13 - 28 |
| | Report by Treasurer. | |
| 4(a) | Contract for Approval: Supply, Delivery, Installation and Maintenance of Vending Machines | 29 - 40 |
| | Report by Director of Scotland Excel. | |
| 4(b) | Contract for Approval: Supply, Delivery, Maintenance and Repair of Cleaning Equipment | 41 - 52 |
| | Report by Director of Scotland Excel. | |
| 5 | Request for Associate Membership by Cycling Scotland | 53 - 54 |
| | Report by Director of Scotland Excel. | |
| 6 | Operating Plan Update | 55 - 70 |
| | Report by Director of Scotland Excel. | |
| 7 | Date of Next Meeting | |
| | Note that the next meeting of the Executive Sub-committee will be held at 10.45 am on 26 April 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley. | |



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 25 January 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (Shetland Islands Council).

By Video Conference

Provost William Howatson (Aberdeenshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, I Calder and L Muir (both Senior Procurement Specialists), J Baxter, G Mooney and A Kowalsica (all Senior Procurement Officers) and A Fraser, IT Infrastructure Officer (all Scotland Excel); and A MacArthur, Head of Finance, M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner, D Low, Senior Committee Services Officer and N O'Brien, Assistant Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Bailie Norman MacLeod (Glasgow City Council); and Councillor Collette Stevenson (South Lanarkshire Council).

Declarations of Interest

There were no declarations of interest intimated prior to commencement of the meeting.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 7 December 2018.

DECIDED: That the Minute be approved.

2 Revenue Budget Monitoring

There was submitted a joint revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 7 December 2018.

The report intimated that gross expenditure was £9,000 under budget and income was currently £14,000 under recovered which resulted in a net overspend of £5,000.

DECIDED: That the report be noted.

3(a) Contract for Approval: Supply and Delivery of Grounds Maintenance Equipment

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply and delivery of grounds maintenance equipment which would operate from 1 March 2019 until 28 February 2022, with the option to extend for up to one year until 28 February 2023.

The report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework covered the supply and delivery of an extensive range of commonly purchased grounds maintenance equipment.

The framework had been divided into 13 lots as detailed in table 1 of the report and had been advertised with an estimated value of £24 million over the four-year period.

It was noted that 30 councils and Tayside Contracts had confirmed their intention to participate in the framework and the participation, spend and savings summary for each was detailed in Appendix 1 to the report. Highland Council had their own arrangement in place and West Dunbartonshire Council had no requirement to use the framework at present.

Tender responses had been received from 27 suppliers and a summary of the offers received together with their SME status was detailed in Appendix 2 to the report.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 26 suppliers across the 13 lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Living Wage status at point of tender.

DECIDED: That the award of the framework agreement for supply and delivery of grounds maintenance equipment, as detailed in Appendix 3 to the report, be approved.

3(b) Contract for Approval: Supply and Delivery of Light and Heavy Plant

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply and delivery of light and heavy plant which would operate from 1 March 2019 until 28 February 2023.

The report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework covered the supply and delivery of an extensive range of commonly purchased light and heavy plant equipment.

The framework had been divided into 16 lots as detailed in table 1 of the report and had been advertised with an estimated value of £40 million over the four-year period. It was anticipated that 31 councils plus Tayside Contracts would participate in the framework and the participation, spend and savings summary for each was detailed in Appendix 1 to the report.

Tender responses had been received from 18 suppliers and a summary of the offers received together with their SME status was detailed in Appendix 2 to the report.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder. There were no offers received for lots 13, 14 and 15 and it was noted that the products included in these lots had, in the past, been hired and had not been included in the previous framework. The intention of including these products had been to establish a purchase option should it be required in the future.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 16 suppliers across the 16 lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Living Wage status at point of tender.

DECIDED: That the award of the framework agreement for supply and delivery of light and heavy plant, as detailed in Appendix 3 to the report, be approved.

3(c) Contract for Approval: Supply and Delivery of Janitorial Products

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework for the supply and delivery of janitorial products which would operate from 1 March 2019 until 28 February 2023.

The report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework provided councils with a mechanism to procure a range of janitorial products and included a one-stop-shop lot giving councils the option to choose a sole supplier for their requirements via a mini competition or by direct award.

The framework had been divided into four lots as detailed in table 1 of the report and had been advertised with an estimated value of £12 million per annum. It was noted that 31 councils had confirmed their intention to participate in this framework and the participation, spend and savings summary for each was detailed in Appendix 1 to the report. Shetlands Island Council currently had other arrangements in place and would therefore not be participating in this framework.

Tender responses had been received from 23 suppliers and a summary of the offers received together with their SME status was detailed in Appendix 2 to the report. It was noted that all suppliers passed the first stage assessment, however, Rexel UK Limited was non-compliant in the second stage of the lot 3 commercial assessment.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to seven suppliers across the four as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Living Wage status at point of tender.

DECIDED: That the award of the framework agreement for supply and delivery of janitorial products, as detailed in Appendix 3 to the report, be approved.

3(d) Contract for Approval: Supply, Delivery and Installation of Audio-visual Equipment

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework for the supply, delivery and installation of audio-visual equipment which would operate from 1 April 2019 until 31 March 2023.

The report summarised the outcome of the procurement process for this national framework arrangement and intimated that the framework would provide councils with a mechanism to procure a range of audio-visual equipment. The renewal framework incorporated a number of enhancements including, for the first time, a lot for additional support needs and the option to hire equipment for events.

The framework had been divided into five lots as detailed in table 1 of the report and had been advertised with an estimated value of £7.5 million per annum. It was noted that all 32 councils had confirmed their intention to participate in this framework and the participation, spend and savings summary for each was detailed in Appendix 1 to

the report.

Tender responses had been received from 22 suppliers and a summary of the offers received together with their SME status was detailed in Appendix 2 to the report. It was noted that all suppliers passed the first stage assessment, however, two suppliers, FES Support Services Limited and Lairds of Troon were non-compliant in the second stage lot 1 commercial assessment.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to seven suppliers across the five lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Living Wage status at point of tender.

DECIDED: That the award of the framework agreement for supply, delivery and installation of audio-visual equipment, as detailed in Appendix 3 to the report, be approved.

3(e) Treatment and Disposal of Recycle and Residual Waste

Under reference to item 3(e) of the Minute of the meeting of this Sub-committee held on 24 August 2018 there was submitted a report by the Director of Scotland Excel providing an update on the progress of the tender to set up a Dynamic Purchasing System (DPS) for the treatment and disposal of recyclable and residual waste. The report also sought that authority be delegated to the Director of Scotland Excel to appoint new entrants to the DPS during its lifetime, as detailed in the report.

The report intimated that the DPS had been divided into 22 lots, as detailed in figure 1 of the report, and had been advertised with an estimated value of £200 million over its lifetime.

It was noted that 26 councils had awarded contracts under the previous Scotland Excel arrangement which expired on 31 May 2018. The scope and breadth of services available through the DPS, as well as the structure and flexibility of the process to award and ability to allow new entrants throughout its lifetime, would help to ensure participation remained high.

The Contract Notice, which had issued on 11 December 2018, detailed the required services the DPS sought and invited service providers to complete a qualification process, which if successful in passing, would grant them access to contract opportunities issued under the DPS. Appendix 1 to the report detailed those service providers who had adequately evidenced their ability to meet the defined qualification criteria and who had requested access to the DPS.

When awarding contracts, councils would be able to issue an Invitation to Tender to those recommended service providers granted access to the DPS and evaluate technical and commercial responses as required for their own individual operational needs and service requirements.

A detailed mobilisation plan would be delivered to councils as their current contract arrangements concluded and they migrated to the DPS. Various tools to assist in directing councils how to use the DPS would include user guides, training and direct support as well as associated document templates including contract terms and conditions and technical questions. The DPS terms and conditions outlined the requirement for service providers to provide management information to Scotland Excel on a quarterly basis or as required. Scotland Excel would on at least an annual basis confirm that all documents and licences linked to qualification criteria remained live and correct.

A key outcome of the DPS route to market was a facility to allow new entrants offering services throughout the lifetime of the arrangement and thereby not 'lock-out' new service providers who could meet the regulatory requirements and potentially offer best value to Councils. Following commencement of the DPS, a second Contract Notice would be issued inviting new entrants to complete the qualification process and this invitation would remain open throughout the lifetime of the DPS. Approval of new entrants would be the responsibility of Scotland Excel.

The Public Contracts (Scotland) Regulations 2015 required that service providers putting themselves forward to be granted access to the DPS must be informed of their success or failure within a maximum of 10 days following completion and submission of the qualification documents. In order to remain compliant with this statutory requirement it was essential that Scotland Excel evaluated and notified respondents of the outcome within the required time period. The report proposed that authority be granted to the Director of Scotland Excel to approve such decisions and that the Executive Sub-committee be updated on the status of available service providers on an annual basis through the Annual Procurement Report.

DECIDED:

(a) That authority be delegated to the Director of Scotland Excel, or the Head of Strategic Procurement, in the Director's absence, to approve the evaluation outcome of initial respondents and any new entrants that completed the qualification process for entry to the DPS during its lifetime, ensuring compliance with the applicable procurement rules including the statutory 10-day maximum period for evaluation and notification of outcome; and

(b) That the Executive Sub-committee be updated on the status of available service providers on an annual basis through the Annual Procurement Report.

4 IT Acceptable Use Policy

There was submitted a report by the Director of Scotland Excel relative to the implementation of an IT Acceptable Use Policy within Scotland Excel, a copy of which was appended to the report.

The report intimated that this policy set out a number of proactive and preventative measures in connection with employees' use of IT equipment and covered a number of areas including access control; internet and email use; and remote working. All employees would be given a copy of this policy and it would become part of the organisations induction process.

DECIDED: That the IT Acceptable Use Policy be noted.

5 Update on the Contract Delivery Plan

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2018/19 contract delivery plan.

The report intimated that the contract delivery plan comprised framework renewals, new developments, framework extensions and frameworks with ongoing contract management only and appendices 1 to 3 to the report provided further details.

The report highlighted that contract delivery remained active with 65 current frameworks in the Scotland Excel portfolio, five of which were to be renewed before 31 March 2019; and a further ten frameworks on the current portfolio had extension options, all of which had already been approved.

Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction and in 2018/19 would deliver a new sourcing strategy for care home services for older people; had agreed a strategy with Councils and issued the first of a two-stage tender procedure in December 2018 in connection with the first generation new build residential construction framework aimed to support council delivery of new affordable houses in line with Strategic Housing Investment Plans (SHIPs); and working in partnership with the Digital Office had released a Prior Information Notice (PIN) for market engagement across a range of projects to drive digital transformation across Scotland; and issued a further PIN notice to notify the market place regarding a replacement Social Work Case Care Management System.

It was noted that overall, efficiencies delivered to date were 4.4% which was above the 2% to 4% forecast savings range.

DECIDED: That the report be noted.

6 Date of Next Meeting

DECIDED:

(a) That it be agreed that the meeting of the Executive Sub-committee scheduled for 10.45 am on 22 February 2019 be cancelled due to lack of substantive business; and

(b) That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 22 March 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.



Scotland Excel

To: Scotland Excel Executive Sub - Committee

On: 22 March 2019

**Report
By:**

Joint Report by the Treasurer and the Director

Heading:

Revenue Budget Monitoring Report

1. **Summary**

- 1.1 Gross expenditure is £2,000 under budget and income is currently £6,000 under-recovered, which results in a net year-to-date overspend of £4,000 for Scotland Excel. This is summarised in point 4 below.

2. **Recommendations**

- 1.2 It is recommended that members consider the report.

3. **Budget Adjustments Since Last Report**

- 3.1 There have been no budget adjustments.

4. **Budget Year-to-Date Position - Core**

- | | | |
|-----|----------------------------|-----------------------------|
| 4.1 | Current Position | Net overspend £4,000 |
| | <i>Previously Reported</i> | <i>Net Overspend £5,000</i> |

The expenditure variance is mainly due to an underspend in Employee Costs due to higher than anticipated vacancies and an under-recovery in income relating to Crown Commercial Services.

4.2 Projected Year-end Position - Core

It is currently forecast that Scotland Excel will **break even** at the year-end. The projected Employee Costs underspend of £10,000 arises from the management of vacancies and this is offset by an overspend within Supplies and Services, as previously reported.

Income from the partnership with Crown Commercial Services is projected to be less than anticipated at the start of the year by £20,000. This is offset by additional income from consultancy services.

4.3 Project Income and Expenditure

Members have requested information in relation to the performance of projects; this was also an external audit recommendation in 2017/18. Please refer to the table below:

Period 11 Position	Forecast Year-end Position
Expenditure: £976,364 Income £1,305,163 Net £328,799	Expenditure £1,542,890 Income £1,844,428 Net £301,538
18/19 Opening Project Reserve £264,489	18/19 Forecast Closing Reserves £566,027

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2018/19
1st April 2018 to 6th February 2019

JOINT COMMITTEE : SCOTLAND EXCEL

Description	Agreed Annual Budget	Year to Date Budget	Year to Date Actual	Adjustments	Revised Actual	Year To Date Budget Variance			Year End Position			
(1)	(2)	(3)	(4)	(5)	(6) = (4 + 5)	(7)			Year End Projection	Year end Variance	Year end Variance	Over / Under Spend
£000's	£000's	£000's	£000's	£000's	£000's	£000's	%		£000's	£000's	%	
Employee Costs	3,033	2,368	2,333	25	2,358	10	0.4%	underspend	3,023	10	0.33%	underspend
Premises Related	176	136	119	17	136	0	0.0%	break-even	176	0	0.00%	break-even
Supplies and Services	307	231	231	8	239	(8)	-4.7%	overspend	314	(7)	-2.28%	overspend
Support Services	220	62	62	0	62	0	0.0%	break-even	220	0	0.00%	break-even
Transfer Payments	13	8	8	0	8	0	0.0%	break-even	10	3	23.08%	underspend
Transport Related	0	0	10	(10)	0	0	0.0%	break-even	0	0	0.00%	break-even
GROSS EXPENDITURE	3,749	2,805	2,763	40	2,803	2	0.1%	underspend	3,743	6	-0.16%	underspend
Contributions from Local Authorities	(3,484)	(3,327)	(3,327)	0	(3,327)	0	0.0%	break-even	(3,484)	0	0.00%	break-even
Other Income	(195)	(73)	(67)	0	(67)	(6)	-6.7%	under-recovery	(189)	(6)	3.08%	under-recovery
INCOME	(3,679)	(3,400)	(3,394)	0	(3,394)	(6)	-0.2%	under-recovery	(3,673)	(6)	0.16%	under-recovery
TRANSFER (TO)/FROM RESERVES	70	(595)	(631)	40	(591)	(4)	-0.5%	overspend	70	0	0.00%	break-even

Summary of In-year Movement of Reserves

	£000's
Opening Reserves 1/4/18	(292)
Budgeted Draw on Reserves (Approved at June 18 Com	70
Projected Year End Overspend / (Underspend)	0
Anticipated Closing Reserves	(222)

Glossary of Terms

Employee Costs - Includes direct employee costs such as salary costs, overtime and indirect employee Costs such as training, recruitment advertising

Premises Related - This group includes expenses directly related to the running of premises and land. Includes rates, rents and leases, utilities, contract cleaning

Supplies & Services - This includes all direct supplies and service expenses incurred by the committee. Also includes administrative costs such as stationary, postages, printing in addition to ICT equipment, telephony equipment and non

Support Services - Includes central support charges e.g. Renfrewshire Council SLA

Transfer Payments - Includes costs of payments to individuals for which no good or services are received in return e.g. Apprenticeship Levy (previously reported under employee costs)

Transport Costs - This group includes all costs associated with the provision, hire or use of transport, including travelling allowances. Includes taxi and car hire costs, Includes staff mileage (previously reported employee costs)

Scotland Excel



To: Executive Sub-Committee

On: 22 March 2019

**Report
by
The Treasurer**

Report on the Annual Audit Plan 2018/19

1. Summary

- 1.1 The Annual Audit Plan 2018/19 is submitted for Members' information. The Plan outlines Audit Scotland's activities in the audit of the 2018/19 financial year.
- 1.2 The Senior Audit Manager from Audit Scotland, Mark Ferris, will attend to present the Annual Audit Plan 2018/19.

2. Recommendations

- 2.1 The Executive Sub-Committee is asked to note the report on the Annual Audit Plan for 2018/19 by Audit Scotland that now follows.

Scotland Excel

Annual Audit Plan 2018/19



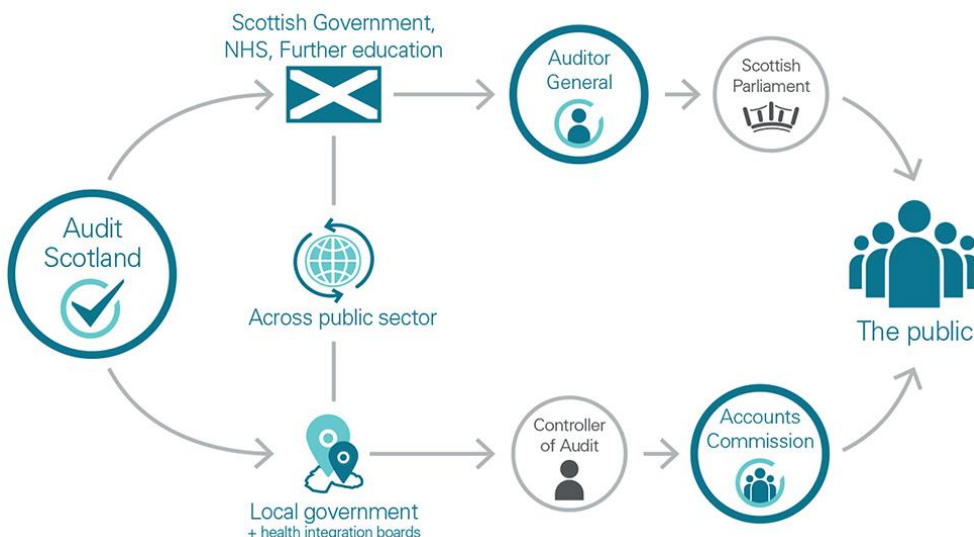
 AUDIT SCOTLAND

Prepared for Scotland Excel
February 2019

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 sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.


Adding value


3. We aim to add value to Scotland Excel through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help Scotland Excel promote improved standards of governance, better management and decision making and more effective use of resources.


Audit risks


4. Based on our discussions with staff, attendance at committee meetings 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 2018/19 Key audit risks

 Audit Risk	Management's source of assurance	Planned audit work
Financial statements issues and risks		
<p>1 Risk of management override of controls</p> <p>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 to change the position disclosed in the financial statements.</p>	Owing to the nature of this risk, assurances from management are not applicable in this instance.	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business.
<p>2 Risk of fraud over income</p> <p>Scotland Excel receives a significant amount of income from several sources, including income generated from providing services. The extent and complexity of income means that,</p>	Income is closely monitored and discussed at budget monitoring meetings. Significant differences from actuals	<ul style="list-style-type: none"> • Analytical procedures on income streams. • Detailed testing of income transactions focusing on the areas of greatest risk.

 Audit Risk	Management's source of assurance	Planned audit work
<p>in accordance with ISA 240, there is an inherent risk of fraud.</p>	<p>compared to projected income are investigated.</p> <p>New income review processes are being implemented as a result of the increased importance of this funding method.</p>	
<p>3 Risk of fraud over expenditure</p> <p>Most public-sector bodies are net expenditure bodies and therefore the risk of fraud is more likely to occur in expenditure.</p> <p>The Code of Audit Practice expands the consideration of fraud under ISA 240. The risk of fraud over expenditure applies due to the variety and extent of expenditure incurred by Scotland Excel in delivering services.</p>	<p>Expenditure is closely monitored and discussed at budget monitoring meetings. Significant differences from actuals compared to projected expenditure are investigated. An internal review of Purchase to Pay processes has been planned for 2019.</p>	<ul style="list-style-type: none"> • Analytical procedures on expenditure streams • Detailed testing of expenditure transactions focusing on the areas of greatest risk.
<p>4 IFRS 15 and accounting for income</p> <p>IFRS 15 <i>Revenue from contracts with customers</i> comes in to effect in 2018/19 and requires entities to use a five-step approach to recognising income.</p> <p>In June 2018 the Joint Committee approved changes to Scotland Excel's funding model. The changes approved will result in greater reliance on generated income as a source of funding and less reliance on requisition income. Income is expected to be generated from a number of sources and some projects span a number of years.</p> <p>The expected increases in income generated, the sources and timing of income generated, and the requirements of IFRS 15 represent an increased risk of material misstatement in the financial statements.</p>	<p>Additional processes and tracking related to income and expenditure period recognition is being implemented in 2019 to address this matter.</p>	<ul style="list-style-type: none"> • Review of income sources and detailed testing of income transactions against the recognition requirements of IFRS 15. • Review of reserves and deferred income balances at the year-end.
<p>5 Estimates and Judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account area of pensions.</p> <p>Scotland Excel's net liability relating to the Strathclyde Pension Fund at 31 March 2018 was £1.441 million. This value is an estimate based on a number of assumptions from the pension fund actuary.</p>	<p>Any significant estimates and judgements are clearly explained in the Notes to the Accounts.</p> <p>Where these are required, they are based on the best information available at the time of the estimate and on both a professional and a prudent approach, either by Renfrewshire Council staff, or appointed</p>	<ul style="list-style-type: none"> • Review of the pension actuary and the assumptions made in calculating the estimated pension liability.

	Audit Risk	Management's source of assurance	Planned audit work
	This subjectivity represents an increased risk of material misstatement in the financial statements.	experts, such as the Pension Fund actuary.	
6	<p>New accounting system</p> <p>Renfrewshire Council implemented an enterprise resource planning system (Business World) in October 2018 which combines finance, HR, payroll and procurement into a single integrated application.</p> <p>The implementation of Business World during the 2018/19 financial year means that the annual accounts will be prepared using information recorded both before and after the change in system, under two different control environments.</p> <p>This introduces additional risks:</p> <ul style="list-style-type: none"> - The new control environment may be less robust - Data may not be correctly transferred to the new system - Differences in the new system may make accounts preparation more challenging <p>The overall impact of the move to Business World is an increased risk of material misstatement in the annual accounts. This affects Scotland Excel as Renfrewshire Council is the host authority and Scotland Excel uses its accounting system.</p>	<p>Robust financial reconciliations were undertaken at the point of financial data migrating from e5 to Business World at the end of September 2018.</p> <p>A Business World implementation team has supported the transition for staff and processes and will likely be in place for several months.</p> <p>Procurement and HR self-service modules are planned to go live in early 2019.</p> <p>The Annual Accounts 2018/19 will be prepared using new and migrated data from Business World.</p> <p>A new Chart of Accounts is in place, which has been clearly mapped from old to new ledger systems.</p>	<ul style="list-style-type: none"> • Gaining an understanding of Business World by reviewing process maps and through discussions with key officers. • Detailed testing of significant transactions processed during the change period and rolled forward balances. • Review of account/cost code mapping from legacy system to Business World. • The work outlined above will be completed as part of the Renfrewshire Council audit and the Scotland Excel audit team will take assurances from that work.
Wider dimension issues and risks			
7	<p>Financial sustainability</p> <p>The 2018/19 Revenue Estimates and finance reports to members throughout the year highlight uncertainties in future funding and increasing pressures on available resources. It is likely future savings will need to be made to achieve a breakeven position and maintain reserves at an appropriate level.</p>	<p>The Joint Committee agreed the 2019/20 budget in December 2018, and also noted the requirement to achieve recurring savings over the medium term. Scotland Excel is actively exploring ways to achieve savings and grow the income base through alternative funding sources over council requisition income. A number of income generating projects have been initiated and will support 2019/20. Further discussions are taking</p>	<ul style="list-style-type: none"> • Review of budget monitoring reports during the year and comment on the financial position within the annual audit report.

	Audit Risk	Management's source of assurance	Planned audit work
		place to consider future financial periods.	

Source: Audit Scotland

Reporting arrangements

5. 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.

6. 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(s) to confirm factual accuracy.

7. We will provide an independent auditor's report to the Joint Committee and Accounts Commission setting out our opinions on the annual accounts. We will provide the Joint Committee and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2 2018/19 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	8 February 2019	22 March 2019
Annual Audit Report	30 August 2019	20 September 2019
Independent Auditor's Report	30 August 2019	20 September 2019

Source: Audit Scotland

Audit fee

8. The proposed audit fee for the 2018/19 audit of Scotland Excel is £5,880 (2017/18: £5,700). 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 24 June 2019.

9. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts 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 out with our planned audit activity.

Responsibilities

Joint Committee and Treasurer

10. 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.

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

Appointed auditor

12. Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

13. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within Scotland Excel 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

14. The annual accounts, which include the financial statements, will be the foundation and source for most 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.

15. We will give an opinion on whether the financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the body as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- 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.



Other information in the annual accounts

16. We also review and report on other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

17. We also read and consider any information in the annual accounts other than the financial statements and audited part of the remuneration report and report any uncorrected material misstatements.

Materiality

18. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

19. 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	Amount
Planning materiality – 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 projected gross expenditure for the year ended 31 March 2019 based on the budget for 2018/19.	£46,000
Performance materiality – 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 50% of planning materiality.	£23,000
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£1,000

Source: Audit Scotland

Timetable

20. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#).

Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual accounts by those charged with governance	21 June 2019
Latest submission date of unaudited annual accounts with complete working papers package	24 June 2019
Latest date for final clearance meeting with Treasurer or finance officer	8 August 2019
Issue of Letter of Representation and proposed independent auditor's report	20 September 2019
Agreement of audited unsigned annual accounts	20 September 2019
Issue of Annual Audit Report to those charged with governance	20 September 2019
Independent auditor's report signed	25 September 2019

Internal audit

21. Internal audit is provided by the internal function at Renfrewshire Council. As part of our planning process we carry out an annual assessment of the internal audit function to ensure that it operates in accordance with Public Sector Internal Audit Standards (PSIAS). This has been carried out by the Renfrewshire Council

audit team and concluded that the internal audit function at Renfrewshire Council complies with the PSIAS and that appropriate documentation standards and reporting procedures are in place.

Using the work of internal audit

22. 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 to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

Audit dimensions

23. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

24. The Code of Audit Practice includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the body and its services. In the light of the volume and lack of complexity of the financial transactions, we plan to apply the small body provisions of the Code to the 2018/19 audit of Scotland Excel.

Financial sustainability

25. 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 body'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
- whether Scotland Excel can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

Governance and transparency

26. 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 the appropriateness of disclosures in the annual governance statement.

Independence and objectivity

27. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. 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 robust arrangements in place to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland's Ethics Partner.

28. The engagement lead (i.e. appointed auditor) 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

29. 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.

30. 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 (and supporting guidance) 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 and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

31. 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 2018/19

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

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Scotland Excel

To: Executive Sub Committee

On: 22 March 2019

Report by Director Scotland Excel

Tender: Supply, Delivery, Installation & Maintenance of Vending Machines

Schedule: 21/18

Period: 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023

1. Introduction and Background

This recommendation is for a new framework arrangement for the Supply, Delivery, Installation & Maintenance of Vending Machines, which will operate from 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023.

The requirement for this procurement has been identified through consultation with commodity User Intelligence Groups (UIGs) within the Corporate portfolio. Currently there appears to be no national or regional framework agreement in place to procure these requirements, with most local authorities utilising their own individual arrangements. This presents an opportunity for Scotland Excel to provide a national collaborative solution which will drive value through the consolidation of spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities.

The framework was advertised at a value of £5 million over the four-year period.

This 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 UIG endorsed the inclusion of 5 lots as summarised in Figure 1.

The lot structure will provide a mechanism for local authorities so that they can procure a range of vending machines as well as the associated consumables. This includes, but is not limited to, 8-16 select machines, 20-50 select

machines, hot drink machines, rotating drum machines and associated products.

These products will be predominately used by local authority leisure and catering teams, within leisure centres, cafes, schools and office units.

The new framework has an annual value of approximately £1.25 million across 32 local authorities, and Tayside Contracts.

Figure 1: Lot Structure

Lot Number	Lot Name
1	Purchase & Lease of New Vending Machines
2	Rental of New Vending Machines
3	Purchase & Lease of Refurbished Vending Machines
4	Rental of Refurbished Vending Machines
5	Fully Managed Service

3. Procurement Process

A Prior Information Notice (PIN) was dispatched on 12 September 2018 with 22 organisations expressing an interest in the opportunity and there were 9 supplier meetings held as a result of this. The supplier meetings helped with the development of the framework as well as understanding the current marketplace better.

As a matter of best practice and to ensure that the framework aligned with local authority requirements, consultation was conducted to understand their service requirements and current purchasing practices.

To ensure maximum competition an open tender process was used, and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 11 January 2019. The tender process was conducted using the Public Contracts Scotland Tender (PCS-T) system.

The procurement process followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD Scotland). Within the ESPD, tenderers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing, quality management, health and safety, and environmental management policies and/or procedures.

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

Commercial	80%
Technical	20%

Tenderers were required to indicate which lots that they were bidding for, and the local authorities which they had an ability to service.

Tenderers were invited to bid on the following basis;

- In the Commercial Section, a national net delivered product price & national net installation price for each product listed for each lot as well as call-out rates for maintenance and repair within the schedule of offer;

- In the Technical Section, as outlined in Figure 2, scored method statements on community benefits, customer service & contract management, maintenance of machines, fair work practices and sustainability.

Figure 2: Scoring Breakdown

Section	Question	Maximum Score Available
Commercial 80%		
Technical 20%	Community Benefits	3
	Customer Service & Contract Management	3
	Maintenance of Machines	5
	Fair Work Practices	3
	Sustainability	6

4. Report on Offers Received

These suppliers provide the range of products and services required by local authorities, as well as representing best value and meeting all technical specifications.

5. Benefits

Savings

Accurate benchmarking is difficult to calculate due to a lack of spend information proceeding from local authorities at present. However, this has been forecast at approximately 6% based on wider market analysis, and a comparison with the savings reports of other first-generation frameworks. This will be monitored on an ongoing basis, and individual benchmarking conducted when required for local authorities.

Price Stability

Tenderers have accepted as part of the terms & conditions of the framework that they will hold prices firm for the first 12 months of the framework.

After the initial 12 months, suppliers may submit a request for a price variance on an annual basis. Suppliers may submit a price decrease at any time throughout the duration of the framework.

Sustainable Procurement Benefits

Community Benefits

Tenderers were asked to detail community benefit initiatives that they would commit to deliver throughout the duration of the framework.

Community benefits received as part of the tender submissions included; sponsorship of local sports teams and community events, donation of materials and labour to support community projects, donation of product vouchers, work experience placements, employability workshops, training sessions, and the recruitment of modern apprentices and/or staff members.

Fair Work Practices

Tenderers were also asked to confirm their approach to fair work practices and the Scottish Living Wage, details of which can be found in Appendix 3. Of the 9 recommended suppliers, 8 currently pay the Scottish Living Wage to all employees with 2 of these being accredited with the Living Wage Foundation.

Sustainability

Tenderers were asked to detail their approach to sustainability, and were asked how their organisations reduced waste, considered the environmental impact of transportation, and demonstrated that their products came from sustainable, reliable, and approved sources.

Offers included a range of recycling initiatives including the use of recyclable compostable and/or reusable drinking cups as well as encouraging the use of can vending machines to reduce plastic consumption.

Tenderers also advised that they utilised route planning technologies to reduce mileage, as well as the increased adoption of Euro 6 standard vehicles within their fleets for the delivery of products.

In addition to this, tenderers provided details on how they monitor stock holding which included the range of products stocked, where these products will be stocked, stock levels, how often products are restocked and use of IT materials management systems (e.g. bar coding) to manage inventory.

Tenderers advised they regularly conduct supplier assessments to ensure fair working practices and ensure their suppliers are conforming to ISO 14001 (Environmental Management) regulations.

6. Contract Mobilisation and Management

Both suppliers and participating members will be issued with a mobilisation pack containing information relating to the operation of the framework, roles

and responsibilities, management information requirements and community benefits commitments.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 3 arrangement in terms of both risk and spend. As such, Scotland Excel will review the framework with suppliers as appropriate, whilst monitoring management information and community benefits associated with this framework.

7. Summary

This framework for the Supply, Delivery, Installation & Maintenance of Vending Machines aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits can be reported in relation to savings, price stability, community benefits and sustainability.

The Executive Sub Committee is requested to approve the recommendation to award placings on this framework to the suppliers as detailed in Appendix 2.

Appendix 1 – Offers Received & SME Status

Tenderer	SME Status	Location	Lots Tendered
Abercromby Vending Ltd	Small	Dalmarnock, Glasgow City	1,2,3,4,5
Centravend Ltd	Small	Linlithgow, Edinburgh City	1
Early Bird Catering Limited	Micro	Aberdeen, Aberdeen City	1,2,3,4,5
Eden Springs UK Limited	Large	Hamilton, South Lanarkshire	1,2,3,4
Excel Vending Limited	Small	East Kilbride, South Lanarkshire	1,2,3,4,5
Ideal Services Scotland Limited	Small	Dalgety Bay, Fife	1,2,3,4,5
Norscott Vending Services Limited	Small	Inverness, Highlands	1,2,5
Selecta UK Limited	Large	London, England	1,2,3,4,5
Templeman Retailing and Vending Limited	Medium	Bellshill, North Lanarkshire	1,2,3,4,5

Appendix 2 - Scoring and Recommendations

Lot 1 - Purchase of New Vending Machines		
Tenderer	Score	Award to Lot 1: Yes/No
Excel Vending Limited	97.00	Yes
Abercromby Vending Ltd	86.31	Yes
Templeman Retailing and Vending Limited	78.99	Yes
Ideal Services Scotland Limited	69.91	Yes
Eden Springs UK Limited	66.16	Yes
Selecta UK Limited	65.07	Yes
Norscott Vending Services Limited	64.35	Yes
Early Bird Catering Limited	64.07	Yes
Centravend Ltd	61.73	Yes

Lot 2 - Rental of New Vending Machines		
Tenderer	Score	Award to Lot 2: Yes/No
Templeman Retailing and Vending Limited	93.25	Yes
Excel Vending Limited	54.80	Yes
Ideal Services Scotland Limited	40.02	Yes
Abercromby Vending Ltd	38.32	Yes
Eden Springs UK Limited	34.94	Yes
Selecta UK Limited	34.81	Yes
Norscott Vending Services Limited	31.58	Yes
Early Bird Catering Limited	31.32	Yes

Lot 3 - Purchase of Refurbished Vending Machines		
Tenderer	Score	Award to Lot 3: Yes/No
Excel Vending Limited	97.00	Yes
Templeman Retailing and Vending Limited	78.00	Yes
Abercromby Vending Ltd	63.79	Yes
Ideal Services Scotland Limited	58.25	Yes
Early Bird Catering Limited	56.34	Yes
Eden Springs UK Limited	51.47	Yes
Selecta UK Limited	48.20	Yes

Lot 4 - Rental of Refurbished Vending Machines		
Tenderer	Score	Award to Lot 4: Yes/No
Templeman Retailing and Vending Limited	93.25	Yes
Excel Vending Limited	61.65	Yes
Ideal Services Scotland Limited	51.88	Yes
Abercromby Vending Ltd	43.56	Yes
Early Bird Catering Limited	40.47	Yes
Eden Springs UK Limited	40.35	Yes
Selecta UK Limited	40.31	Yes

Lot 5 - Fully Managed Service		
Tenderer	Score	Award to Lot 5: Yes/No
Excel Vending Limited	97.00	Yes
Abercromby Vending Ltd	95.00	Yes
Early Bird Catering Limited	93.75	Yes
Selecta UK Limited	93.25	Yes
Templeman Retailing and Vending Limited	93.25	Yes
Ideal Services Scotland Limited	92.25	Yes
Norscott Vending Services Limited	86.00	Yes

Appendix 3 – List of Recommended Suppliers with Scottish Living Wage Status

Supplier	Accredited	Currently progressing through Scottish Living Wage accreditation process	Pay Scottish Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Scottish Living Wage to all employees, but not accredited	Neither accredited nor paying Scottish Living Wage, but do commit to pay the Scottish Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Scottish Living Wage
Abercromby Vending Ltd	Yes					
Centravend Ltd			Yes			
Early Bird Catering Limited				Yes		
Eden Springs UK Limited			Yes			
Excel Vending Limited	Yes					
Ideal Services Scotland Limited				Yes		
Norscott Vending Services Limited			Yes			
Selecta UK Limited					Yes	
Templeman Retailing and Vending Limited				Yes		



Scotland Excel

To: Executive Sub Committee

On: 22 March 2019

**Report
by
Director Scotland Excel**

Tender: Supply, Delivery, Maintenance & Repair of Cleaning Equipment

Schedule: 18/18

Period: 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023

1. Introduction and Background

This recommendation is for a new framework arrangement for the Supply, Delivery, Maintenance & Repair of Cleaning Equipment, which will operate from 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023.

The requirement for this procurement has been identified through consultation with commodity User Intelligence Groups (UIGs) within the Corporate portfolio. Currently there appears to be no national or regional framework agreement in place to procure these requirements, with most local authorities utilising their own individual arrangements often through Quick Quotes (an online quotation facility which allows local authorities to obtain competitive quotes electronically for low value requirements). This therefore presents an opportunity for Scotland Excel to provide a national collaborative solution which will drive value through the consolidation of spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities.

The framework was advertised at a value of £9 million over the four-year period.

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

2. Scope, Participation and Spend

As part of the strategy development, a new UIG for this framework was established which endorsed the inclusion of 2 lots as summarised in Figure 1.

The lot structure will provide a mechanism for local authorities so that they can procure a range of cleaning equipment that includes, but is not limited to, vacuums, scrubber-dryers, sweepers, rotary machines, and carpet extractors.

These products will be predominately used by local authority cleaning teams, carrying out tasks related to floorcare within internal settings.

The new framework has an annual value of approximately £2.25 million across 32 local authorities, and Tayside Contracts.

Figure 1: Lot Structure

Lot Number	Lot Name
1	Supply & Delivery of Cleaning Equipment & Associated Products
2	Maintenance & Repair of Cleaning Equipment & Associated Products

3. Procurement Process

A Prior Information Notice (PIN) was dispatched on 05 September 2018 with 24 organisations expressing an interest in the opportunity. Market engagement was conducted, which resulted in 7 supplier meetings that helped to inform the procurement strategy.

As a matter of best practice and to ensure that the framework aligned with local authority requirements, consultation was conducted to understand their service requirements and current purchasing practices.

To ensure maximum competition an open tender process was used, and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 04 January 2019. The tender process was conducted using the Public Contracts Scotland Tender (PCS-T) system.

The procurement process followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD Scotland). Within the ESPD, tenderers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing, quality management, health and safety, and environmental management policies and/or procedures.

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

Commercial	80%
Technical	20%

Tenderers were required to indicate which lots that they were bidding for, and the local authorities which they had an ability to service.

Tenderers were invited to bid on the following basis;

- In the Commercial Section, a national price for all core products and services;
- In the Technical Section, as outlined in Figure 2, scored method statements on community benefits, contract management & customer service, fair work practices, innovation & added value, and sustainability.

Figure 2: Scoring Breakdown

Section	Question	Maximum Score Available
Commercial 80%		
Technical 20%	Community Benefits	3
	Contract Management & Customer Service	5
	Fair Work Practices	3
	Innovation & Added Value	3
	Sustainability	6

4. Report on Offers Received

The tender document was accessed by 22 organisations, with 10 of these submitting an offer.

A summary of all offers received from tenderers, and their SME status is outlined in Appendix 1.

5. Recommendations

Based on the evaluation undertaken in line with the criteria and weightings set out above, it is recommended that a multiple supplier framework agreement is awarded to the 10 tenderers outlined in Appendix 2.

Of the 10 recommended tenderers, 8 are SMEs, with 1 of these being classified as a micro business. Appendix 1 outlines the location of tenderers who submitted an offer, with 6 of these being based in Scotland.

These tenderers provide the range of products and services required by local authorities, as well as representing best value and meeting all technical specifications.

6. Benefits

Savings

Accurate benchmarking is difficult to calculate due to a lack of spend information proceeding from local authorities at present. However, this has been forecast at approximately 7.5% based on wider market analysis, and a comparison with the savings reports of other first-generation frameworks. This

will be monitored on an ongoing basis, and individual benchmarking conducted when required for local authorities.

Price Stability

Tenderers have accepted as part of the terms & conditions of the framework that they will hold prices firm for the first 12 months of the framework.

After the initial 12 months, suppliers may submit a request for a price variance on an annual basis. Suppliers may submit a price decrease at any time throughout the duration of the framework.

Sustainable Procurement Benefits

Community Benefits

Tenderers were asked to detail community benefit initiatives that they would commit to deliver throughout the duration of the framework.

Community benefits received as part of the tender submissions included; sponsorship of local sports teams and community events, donation of materials and labour to support community projects, donation of product vouchers, work experience placements, employability workshops, training sessions, and the recruitment of modern apprentices and/or staff members.

Fair Work Practices

Tenderers were also asked to confirm their approach to fair work practices and the Scottish Living Wage, details of which can be found in Appendix 3. Of the 10 recommended tenderers for this framework, 8 currently pay the Living Wage or above, with one of these being accredited.

Sustainability

Tenderers were asked to detail their approach to sustainability, and were asked how their organisations reduced waste, considered the environmental impact of transportation, and demonstrated that their products came from sustainable, reliable, and approved sources.

Offers included a range of recycling initiatives involving the refurbishment of machines for reuse and waste segregation techniques. In addition to this, some tenderers offered to uplift disused machines from local authorities and refurbish them before donating to charities.

Tenderers also advised that they utilised route planning technologies to reduce mileage, as well as the increased adoption of Euro 6 standard vehicles within their fleets for the delivery of products.

In addition to this, they provided details on how they manage stock levels efficiently and monitor transparency within their supply chains. Some of them advised that they regularly conduct assessments to ensure that their supply chains are adhering to fair work practices and conforming with environmental regulations.

7. Contract Mobilisation and Management

Both suppliers and participating members will be issued with a mobilisation pack containing information relating to the operation of the framework, roles and responsibilities, management information requirements and community benefits commitments.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 3 arrangement in terms of both risk and spend. As such, Scotland Excel will conduct annual review meetings with suppliers, where necessary, whilst monitoring management information and community benefits associated with this framework.

8. Summary

This framework for the Supply, Delivery, Maintenance & Repair of Cleaning Equipment aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits can be reported in relation to savings, price stability, community benefits and sustainability.

The Executive Sub Committee is requested to approve the recommendation to award placings on this framework to the tenderers as detailed in Appendix 2.

Appendix 1 – Offers Received & SME Status

Tenderer	SME Status	Location	Lots Tendered
Alliance Disposables Ltd	Large	Glasgow, Glasgow City	1 & 2
Arrow County Supplies Ltd	Medium	Shrewsbury, Shropshire	1
Diversey Ltd	Large	Northampton, Northamptonshire	1
DMG Floorcare Ltd	Small	Glasgow, Glasgow City	1 & 2
GT Cleaning Machines Ltd	Small	East Kilbride, South Lanarkshire	1 & 2
Mr. Pat McKay T/A Machines2Clean	Micro	Cumbernauld, North Lanarkshire	1 & 2
Nilfisk Ltd	Medium	Penrith, Cumbria	1 & 2
Powerwasher Services Ltd	Small	Laurencekirk, Aberdeenshire	1 & 2
Truvox International Ltd	Small	Southampton, Hampshire	1
Unico Ltd	Small	Carronshore, Falkirk	1 & 2

Appendix 2 - Scoring and Recommendations

Lot 1 – Supply & Delivery of Cleaning Equipment & Associated Products		
Tenderer	Score	Award to Lot 1: Yes/No
DMG Floorcare Ltd	91.63	Yes
Unico Ltd	75.85	Yes
Arrow County Supplies Ltd	71.15	Yes
Alliance Disposables Ltd	66.78	Yes
Diversey Ltd	58.54	Yes
Mr Pat McKay T/A Machines2Clean	56.25	Yes
Nilfisk Ltd	53.67	Yes
Truvox International Ltd	51.64	Yes
Powerwasher Services Ltd	47.62	Yes
GT Cleaning Machines Ltd	44.38	Yes

Lot 2 – Maintenance & Repair of Cleaning Equipment & Associated Products		
Tenderer	Score	Award to Lot 2: Yes/No
DMG Floorcare Ltd	91.63	Yes
Unico Ltd	59.88	Yes
Powerwasher Services Ltd	46.58	Yes
Nilfisk Ltd	43.55	Yes
GT Cleaning Machines Ltd	38.89	Yes
Alliance Disposables Ltd	38.50	Yes
Mr. Pat McKay T/A Machines2Clean	32.94	Yes

Appendix 3 – List of Recommended Tenderers with Scottish Living Wage Status

Tenderer	Accredited	Currently progressing through Scottish Living Wage accreditation process	Pay Scottish Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Scottish Living Wage to all employees, but not accredited	Neither accredited nor paying Scottish Living Wage, but do commit to pay Scottish Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Scottish Living Wage
Alliance Disposables Ltd				Yes		
Arrow County Supplies Ltd				Yes		
Diversey Ltd				Yes		
DMG Floorcare Ltd	Yes					
GT Cleaning Machines Ltd						Yes
Mr. Pat McKay T/A Machines2Clean				Yes		
Nilfisk Ltd			Yes			
Powerwasher Services Ltd				Yes		
Truvox International Ltd				Yes		
Unico Ltd					Yes	



Scotland Excel

To: Executive Sub Committee

On: 22 March 2019

Report by Director Scotland Excel

Request for Associate Membership of Scotland Excel by Cycling Scotland

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

Cycling Scotland is the nation's cycling organisation. Working with others, they help create and deliver opportunities and an environment so anyone anywhere in Scotland can cycle easily and safely.

Cycling Scotland vision is to provide a sustainable, inclusive and healthy Scotland where anyone, anywhere can enjoy all the benefits of cycling.

Cycling Scotland is a registered charity and a Living Wage employer.

To ensure the efficient and cost effective delivery of these services it has approached Scotland Excel and requested approval to become an associate member with access to our contracts.

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.

Scotland Excel monitors all requests from arms length and other organisations to become associate members to ensure that any legal requirements are met. In this case Cycling Scotland qualifies for membership as they in accordance with the Local Authorities (Goods and Services) Act 1970, section 1(1B), namely that the organisation is not a public body, but it has functions of a public nature or engages in activities of that nature 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 Cycling Scotland application to join Scotland Excel as an associate member be approved, at a £500 annual fee, subject to completion and signing of the agreement document.














Operating Plan






2018 – 2019







Q3 Progress Report





Goal 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Develop plans which support direct engagement with local authority services to identify new collaborative procurement opportunities 		<ul style="list-style-type: none"> In Q3, Scotland Excel undertook engagement initiatives with education stakeholders, waste managers and fleet managers. Ongoing engagement is also taking place with other stakeholders across local authority services including housing, social care, ICT and catering.
	<ul style="list-style-type: none"> Complete the sourcing strategy and initiate the tender process for a new build housing framework on behalf of participating local authorities 		<ul style="list-style-type: none"> The first stage of the tender process for the new build housing framework commenced in Q3. Successful contractors will be invited to participate in the second stage of the process which is due to be published in February 2019. The project is on track for an August 2019 start date.
	<ul style="list-style-type: none"> Implement a procurement strategy for older people care home services for that provides choice, continuity of care and innovation in service delivery 		<ul style="list-style-type: none"> A User Intelligence Group was held in November 2018 to discuss the strategic sourcing strategy for older people's care home services. A technical sub-group was held in December to work on implementing self-declaration of mandatory contract requirements by care providers.
	<ul style="list-style-type: none"> Implement the procurement strategy for adult care and support services and secure sustainable funding for ongoing delivery as part of the social care portfolio 		<ul style="list-style-type: none"> Three successful consultation events for local authorities, providers and their representative bodies were held in November 2018 to support the development of the care and support contract service specification.
	<ul style="list-style-type: none"> Continue to pursue funding to deliver proposals which support the expansion of early learning and childcare provision 		<ul style="list-style-type: none"> Funding has been secured for Scotland Excel to produce guidance, cost modelling and standard terms and conditions to support the expansion of early learning and childcare provision. Work is now underway to deliver this project.







	<ul style="list-style-type: none"> Develop and implement contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts 		<ul style="list-style-type: none"> The new CSM programme is now in place for 26 contracts, and a plan to expand the number of CSM classifications is being developed to ensure an appropriate level of oversight for each contract. Local authority procurement leads have agreed to work with Scotland Excel to develop a sector-wide KSM programme.
	<ul style="list-style-type: none"> Identify opportunities to lead and/or participate in national cross-sector procurement opportunities and initiatives with partners in health, further and higher education, and central government 		<ul style="list-style-type: none"> In Q3, Scotland Excel shared its price review process with the Scottish Government for use on their national contracts, and met with NHS National Procurement to examine contract terms and conditions which minimise the involvement of organised crime in public procurement.
	<ul style="list-style-type: none"> Continue to inform and support national procurement policy in consultation with the local government procurement community 		<ul style="list-style-type: none"> Scotland Excel has published Brexit briefing notes which highlight its potential impact on contracts. Regular conference calls on the impact of Brexit are taking place with the Scottish Government.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Develop and deliver a targeted programme of change projects based on development needs identified by Procurement & Commercial Improvement Programme (PCIP) assessments 		<ul style="list-style-type: none"> Five change projects are in progress to support outcomes from the first PCIP cycle. A sixth potential project is awaiting confirmation of stakeholder requirements.
	<ul style="list-style-type: none"> Deliver a second cycle of local government PCIP assessments for all local authorities 		<ul style="list-style-type: none"> Twenty PCIP assessments had been completed with councils by the end of Q3. The programme is on target to complete assessments with all 32 councils by the end of April 2019.
	<ul style="list-style-type: none"> Deliver the chargeable consultancy projects and transformation programmes agreed for Aberdeen City and Fife Councils, and respond to any further requests for these types of services from other councils 		<ul style="list-style-type: none"> Work is continuing on the consultancy programmes for Fife and Aberdeen Councils. The first phase of a project for East Renfrewshire Council has been completed, and a second phase is due to begin in January 2019. A proposal has been submitted to deliver a consultancy programme for Tayside councils, and discussions have taken place with East Lothian Council.









	<ul style="list-style-type: none"> Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy 		<ul style="list-style-type: none"> During Q3, nine courses were in progress across the three key disciplines of procurement, leadership and management and project management, including a new Chartered Institute of Procurement & Supply (CIPS) advanced practitioner course launched in November 2018. More than 100 learners have taken part in Scotland Excel Academy courses since its launch in October 2016, and its innovative approach was recognised with a GO Scotland Award in October 2018.
	<ul style="list-style-type: none"> Develop and deliver a programme of practitioner workshops, masterclasses and events to lead best practice through the Scotland Excel Academy 		<ul style="list-style-type: none"> A CSM practitioner workshop was delivered in October 2018, and an Indexation masterclass took place in December. Other non-accredited practitioner learning opportunities are being developed including 'introduction to procurement' training in response to customer demand.
	<ul style="list-style-type: none"> Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice 		<ul style="list-style-type: none"> Academy online resources are continually evolving as new programmes and cohorts are introduced. Content from events and practitioner workshops is shared with the procurement community through the site.
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to promote a collaborative approach to the adoption of digital technologies 		<ul style="list-style-type: none"> Scotland Excel has been working with the Digital Office and councils on an information sharing tool providing Scotland-wide visibility of software contract information. The tool will support the identification of collaborative procurement opportunities, minimise the need for external consultancy, and improve supplier engagement. A collaborative tender for a replacement social work care case management system will be released by end of April 2019.
	<ul style="list-style-type: none"> Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector 		<ul style="list-style-type: none"> A solution has now been agreed for a technical issue which was affecting the development of data analytic tools. Work to implement the solution has commenced and will be completed in Q4.

	<ul style="list-style-type: none"> Continue to develop and share access to the Cost of Care calculator to support the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> Scotland Excel is working closely with COSLA, local authority finance colleagues and Scottish Care to conclude the final elements of the calculator. However, the group has been unable to agree a suitable methodology for calculating provider return with the sector. Learnings from the project will be considered in other areas of social care.
	<ul style="list-style-type: none"> Continue to develop and share access to Indexation Modelling to track market influences on costs 		<ul style="list-style-type: none"> Indexation Modelling continues to be used as part of contract management activities, and is being shared with the sector through practitioner workshops and masterclasses. Fife and Glasgow City Councils have asked Scotland Excel to hold bespoke indexation workshops for their procurement teams.
	<ul style="list-style-type: none"> Deliver market analysis reports in support of new collaborative procurement or service opportunities 		<ul style="list-style-type: none"> IBIS World and Company Watch are being used to provide market intelligence across Scotland Excel's procurement teams. The use of Gartner for market intelligence within the IT portfolio was explored, but is not being pursued as the market information available through IBIS World is sufficient for current requirements.
	<ul style="list-style-type: none"> Develop plans to roll out data analytic tools to staff across the organisation 		<ul style="list-style-type: none"> Power BI data analytics tools will be rolled out to staff during 2019-20 once the first development phase has been completed.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care 		<ul style="list-style-type: none"> Scotland Excel is continuing to engage with the Scottish Government, COSLA, Health & Social Care Partnerships and care providers on the cost of care calculator and new frameworks for care and support and older people's care homes.
	<ul style="list-style-type: none"> Continue to work with the Scottish Government and other partners to support the development and/or delivery of education policies such as early learning provision, pupil attainment funding, and food procurement for school meals 		<ul style="list-style-type: none"> Scotland Excel presented at a Holyrood Events food and education policy conference in December 2018, and has been invited to take part in a food planning resilience workshop which will be hosted by COSLA in January 2019 in preparation for Brexit.






	<ul style="list-style-type: none"> Continue to work with the Scottish Government, Association of Local Authority Chief Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing 		<ul style="list-style-type: none"> Scotland Excel will focus on the development of the new build housing framework in 2018-19 and will explore further opportunities to influence or support affordable housing policy in 2019-20.
	<ul style="list-style-type: none"> Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy 		<ul style="list-style-type: none"> Scotland Excel continues to work with Zero Waste Scotland on environmental matters across the procurement portfolio. The support of Zero Waste Scotland and other partners has been particularly valuable for developing a dynamic purchasing system for recyclable and residual waste.
	<ul style="list-style-type: none"> Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals 		<ul style="list-style-type: none"> During Q3, key communications activities included the publication of a thought leadership article on social care procurement in Holyrood Magazine, the development of successful award entries for the GO Scotland Awards and Scottish Public Service Awards, and the implementation of plans for a parliamentary reception and digital transformation event taking place in early Q4.
	<ul style="list-style-type: none"> Continue play a lead role in the development and delivery of national Graduate Apprenticeships as a cost-effective talent management opportunity for the local government sector 		<ul style="list-style-type: none"> Scotland Excel is continuing to engage with public sector and academic partners to position the Academy as a potential Graduate Apprenticeship assessment partner.







Goal 2: Being sustainable in everything we do



Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Develop plans to increase the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage 		<ul style="list-style-type: none"> An analysis undertaken in Q3 indicated that around 80% of Scotland Excel suppliers are paying the Scottish Living Wage which limits the scope for further increases. However, this will be examined again in 2018-19 once the new CSM programme is in place across the contract portfolio.
	<ul style="list-style-type: none"> Continue to develop community benefit models which enable councils to achieve direct benefits for their areas 		<ul style="list-style-type: none"> A revised evaluation model for community benefits is now being embedded in all tenders to ensure that benefits are delivered to each council using the framework,
	<ul style="list-style-type: none"> Continue to support opportunities for disabled/disadvantaged workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Scottish Bravest Manufacturer, a supported business providing employment for ex-forces personnel, has been awarded a place on the road signage framework. A strategy for engaging with supported businesses will be developed in 2019-20.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs 		<ul style="list-style-type: none"> In Q3, Scotland Excel delivered four SDP supplier seminars in Edinburgh, Dunfermline, Troon and Glasgow, and attended Meet the Buyer events in Hamilton and Dunfermline.
	<ul style="list-style-type: none"> Increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio 		<ul style="list-style-type: none"> Opportunities to encourage participation by Scottish SMEs continue to be considered in strategy development for all contracts.
	<ul style="list-style-type: none"> Encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts 		<ul style="list-style-type: none"> Consideration of local economic impact forms a key part of the PCIP assessment undertaken with housing associations. Scotland Excel is working with the Scottish Federation of Housing Associations (SFHA) on a publication to showcase good practice in community benefits.

2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Continue to encourage suppliers to Scotland Excel contracts to consider opportunities to increase recycling of their products and packaging and/or reduce their carbon footprint 		<ul style="list-style-type: none"> Scotland Excel's tender documentation continues to include appropriate environmental considerations including, where appropriate, the weighting and scoring of emissions.
	<ul style="list-style-type: none"> Develop and implement a model for considering 'whole life' costing within tender evaluations, including plans for monitoring costs over the lifecycle of products and services 		<ul style="list-style-type: none"> Scotland Excel's tender documentation continues to include appropriate cost evaluation to ensure that lifetime value is assessed.
	<ul style="list-style-type: none"> Continue to support the collection, handling, treatment and recovery of value from waste by implementing new recyclable and residual waste arrangements which offer increased options for recycling and/or disposal and cover additional types of waste 		<ul style="list-style-type: none"> The tender for the new recyclable and renewable framework has been published. Recommendations will be presented to committee at the end of January 2019.
	<ul style="list-style-type: none"> Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities 		<ul style="list-style-type: none"> Plans for assessing and mitigating Scotland Excel's environmental impact will be considered in 2019-20 following the appointment of new Corporate Services Manager in Q4.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Produce an annual report on procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014, providing support and guidance on reporting commitments to the local authorities 		<ul style="list-style-type: none"> An Annual Procurement Report for 2017-18 has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.
	<ul style="list-style-type: none"> Continue to work with national partners on the development of sustainable procurement guidance and tools 		<ul style="list-style-type: none"> Scotland Excel continues to engage with national partners through the Scottish Government's Best Practice Working Group. Plans for 2019 have been drafted and include sustainable procurement guidance for the Procurement Journey.
	<ul style="list-style-type: none"> Develop plans to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy 		<ul style="list-style-type: none"> Sustainable procurement is embedded in the CIPS accredited course delivered through the Scotland Excel Academy, and will form part of a non-accredited 'introduction to procurement' course.
	<ul style="list-style-type: none"> Develop and implement plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach 		<ul style="list-style-type: none"> Plans to promote sustainable procurement to elected members and senior officers will form part of senior stakeholder engagement plans which will be developed in 2019-20.







Goal 3: Placing people at the heart of our business







Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to develop Scotland Excel's account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for councils 		<ul style="list-style-type: none"> Scotland Excel's account managers are delivering a range of initiatives including change projects, PCIP assessments and practitioner workshops in addition to their quarterly business reviews. The team is also supporting the development of online management information tools for councils.
	<ul style="list-style-type: none"> Explore further opportunities to use digital technologies to engage with customers and/or expand online 'self-service' facilities, incorporating the findings into Scotland Excel's ICT strategy and roadmap 		<ul style="list-style-type: none"> Data analytics tools now allow self service of a range of social care information. Further opportunities will be explored once the initial development phase for these data tools has been completed.
	<ul style="list-style-type: none"> Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> Throughout 2018-19, Scotland Excel has focussed on expanding the range of courses available through the Academy, extending the range of small value contracts, developing a new build housing framework and delivering consultancy services to councils. Further opportunities to provide new services will be explored in 2019-20.
	<ul style="list-style-type: none"> Embed the outputs of Scotland Excel's stakeholder engagement project into customer and stakeholder engagement plans and activities, ensuring that these reflect the organisation's expanding customer base 		<ul style="list-style-type: none"> Work to embed the outputs of Scotland Excel's stakeholder engagement project will now begin in early 2019-20.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Develop a model for incorporating community engagement, where appropriate, into the development of procurement strategies 		<ul style="list-style-type: none"> Opportunities for stakeholder participation, including wider community engagement, are now reviewed as part of the governance process for procurement strategies. Scotland Excel has also contacted the Scottish Government to offer any support that may be required for the Review of Local Governance.

	<ul style="list-style-type: none"> Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design 		<ul style="list-style-type: none"> Advocacy groups and service users were invited to consultation meetings for the renewal of the care homes for adults with learning difficulties framework in October 2018. However, no delegates attended from these stakeholder groups, and the findings of previous in-depth engagement with service users will be used to inform strategy development.
	<ul style="list-style-type: none"> Explore the feasibility of working with educational partners and/or suppliers to promote the benefits of procurement to pupils, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> Scotland Excel is continuing to support educational charity, Founders4Schools, by attending careers events. An initiative is being explored which would provide an annual forum for head teachers to learn about educational frameworks and community benefits which may benefit their pupils.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact 		<ul style="list-style-type: none"> A review of national engagement has been delayed until early 2019-20.
	<ul style="list-style-type: none"> Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities 		<ul style="list-style-type: none"> The model will be developed on completion of the review of national engagement activity. Outputs will be discussed with key stakeholders to ensure that national engagement activities undertaken by Scotland Excel incorporate local views.
	<ul style="list-style-type: none"> Build on relationships with the Convention of Scottish Local Authorities (COSLA) and/or elected members to represent customers and communities in appropriate policy and political matters 		<ul style="list-style-type: none"> Quarterly meetings continue to take place with the CEO and policy leads at COSLA. Following recent personnel changes in both organisations, further opportunities for working together will be explored.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's organisational development strategy and rolling improvement plans, involving staff in the development of plans, policies and initiatives where appropriate 		<ul style="list-style-type: none"> Scotland Excel's recruitment and performance review and development (PRD) processes have been revised in response to staff feedback. An annual recognition programme for long serving staff has been implemented, and a project to improve internal communication is underway. Work to renew Scotland Excel's Investors in People (IiP) accreditation will begin in Q4.






	<ul style="list-style-type: none"> • Develop and implement a talent management programme to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Following feedback from staff, plans for developing a talent management programme have been put on hold until the new PRD process is embedded within the organisation. In the meantime, Scotland Excel Academy courses are open to staff where a development need is identified.
	<ul style="list-style-type: none"> • Develop plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers 		<ul style="list-style-type: none"> • Technology solutions which support agile working are now in place, the number of hot desks available in the office has been increased, and a review of telephony arrangements is ongoing. A policy to support agile working is in development and will be implemented in Q4.

Goal 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Complete the review of Scotland Excel's governance and funding models, presenting recommendations to the Joint Committee for approval 		<ul style="list-style-type: none"> Governance and funding proposals to support the delivery of the 2018-23 strategy were approved by the Joint Committee in June 2018.
	<ul style="list-style-type: none"> Develop plans to implement the governance recommendations approved by the Joint Committee 		<ul style="list-style-type: none"> Scotland Excel will continue to operate its existing governance model in support of the 2018-23 strategy. Governance arrangements will continue be reviewed periodically to ensure they align with the organisation's ambitions.
	<ul style="list-style-type: none"> Implement appropriate funding models to support the delivery of new and existing services 		<ul style="list-style-type: none"> Income is being accrued through Academy, consultancy and associate member revenue. All new or renewed contracts in development are being assessed for rebate potential. Income from the new build housing framework is expected to be begin Q4 of 2019-20. An income review board is being established in Q4 to monitor revenue generation against targets.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Review Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement initiatives and to address any gaps in capacity and/or capability 		<ul style="list-style-type: none"> Scotland Excel has strategies and plans in place for the continuous development of key business areas including ICT and organisational development. Additional space has been secured in Renfrewshire House to accommodate growing staff numbers.
	<ul style="list-style-type: none"> Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers 		<ul style="list-style-type: none"> A new business evaluation model will be developed during 2019-2020. In the meantime, Scotland Excel has refined its new business pitching process to ensure that a sufficient level of commitment is secured before detailed proposals are developed.
	<ul style="list-style-type: none"> Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth 		<ul style="list-style-type: none"> Delivery of the ICT strategy continues to focus on consolidating technology before moving to application development in Q4.

4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Scotland Excel met with Commercial Services, a shared service provider for local authorities operated by Kent County Council, in December 2018 to understand the opportunities and/or threats posed by their services. A comprehensive competitive review will be undertaken in 2019-20.
	<ul style="list-style-type: none"> Continue to deliver procurement support to housing associations on behalf of the Scottish Government and develop plans to market additional Scotland Excel services which secure the long term sustainability of this service 		<ul style="list-style-type: none"> Scotland Excel completed 9 PCIP assessments with housing associations on behalf of the Scottish Government during Q3. This brings the total to 31 assessments, and a further 35 are expected to be completed by the end of March 2019.
	<ul style="list-style-type: none"> Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides to members 		<ul style="list-style-type: none"> A market analysis report has been completed for the social housing sector which includes recommendations for a marketing strategy to increase associate membership within this sector. A chargeable consultancy project for associate member, City Property, has been agreed.
	<ul style="list-style-type: none"> Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities 		<ul style="list-style-type: none"> During Q3, key marketing and communications activities to support new business opportunities included a supplier campaign for the new build residential housing framework, and the production of promotional flyers for Scotland Excel Academy courses.
	<ul style="list-style-type: none"> Identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation 		<ul style="list-style-type: none"> A number of staff have been seconded to external consultancy projects and others are providing ad hoc support for projects in specific areas. Senior Management Team members are now taking part in business development meetings with senior stakeholders.
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Explore opportunities to work in partnership with other public sector bodies to increase internal efficiency and/or improve service delivery for customers, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Following the successful launch of the PDA in project management, which is delivered in partnership with the Improvement Service, a joint opportunity for a PDA in business analysis is now being explored.

	<ul style="list-style-type: none"> Continue to manage Scotland Excel's partnership with Crown Commercial Services (CCS) to ensure it is delivering against customer expectations, and explore opportunities to extend this partnership 		<ul style="list-style-type: none"> A mobilisation event for the new CCS vehicles vehicle purchase contract was held for councils in December 2018, and webinars are being planned for 2019. Feedback from fleet managers to the CCS partnership has been positive.
	<ul style="list-style-type: none"> Design a model for providing procurement support to SEEMiS in line with the partnership agreement 		<ul style="list-style-type: none"> Scotland Excel has agreed with SEEMiS to provide procurement support for a range of projects until the end of March 2020.

Report Key	
	Project or activity not yet started
	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 is progressing in line with expected/agreed timelines and results
	Project or activity completed

Key Performance Indicators

Outcomes	Key Performance Indicators	Q3 Status
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> • Number of contracts delivered v plan¹ • Value of contract portfolio v target 	<ul style="list-style-type: none"> • 25 of 31 contracts delivered • £1bn against £1.4bn target
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> • Number of PCIP assessments delivered v plan • Number of Scotland Excel Academy courses v plan² 	<ul style="list-style-type: none"> • 20 of 22 assessments delivered • 31 of 40 courses delivered
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> • Tonnes of waste diverted from landfill in the last recorded quarter³ • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • 44,092 tonnes (Sep-Dec 2018) • 486 Scottish suppliers of which 76.5% are SMEs
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> • Number of community benefits realised to date 	<ul style="list-style-type: none"> • 349 jobs • 474 apprenticeships • 88 work placements • 61,053 hours work experience • 5,633 hours volunteering/mentoring • £671k value of other initiatives
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> • Number of business change initiatives delivered v plan 	<ul style="list-style-type: none"> • 4 of 6 initiatives delivered
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> • Media coverage v target • Number of speaking engagements v target 	<ul style="list-style-type: none"> • 60 of 60 media items published • 13 of 12 speaking engagements
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> • Percentage savings achieved across the portfolio v target⁴ • Savings achieved in the last quarter 	<ul style="list-style-type: none"> • 4.4% against 2.5% savings target • £2.9m (Oct – Dec 2018)
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> • Customer satisfaction scores v target⁵ 	<ul style="list-style-type: none"> • 80% of respondents

Report issued: March 2018

¹ Contracts developed, renewed or extended

² Programmes, workshops and masterclasses

³ Through Scotland Excel's organic waste framework

⁴ Average savings during the strategy period (2018-23) excluding social care contracts

⁵ Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)

