

## Minute of Meeting

### Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 18 November 2016	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

#### **PRESENT**

Councillors C Shand (Aberdeenshire Council); P Valentine (Angus Council); A Craik (Fife Council); M McElroy (Glasgow City Council); M Holmes (Renfrewshire Council); and Provost E Logan (South Lanarkshire Council).

#### **CHAIR**

Councillor Holmes, Convener, presided.

#### **VIDEO CONFERENCING**

N Macdonald (Comhairle Nan Eilean Siar) and I Whyte (City of Edinburgh Council).

#### **APOLOGIES**

Councillors G Dykes (Dumfries and Galloway Council); B Fernie (Highland Council); G McLean (North Ayrshire Council) and A Westlake (Shetland Islands Council).

#### **IN ATTENDANCE**

J Welsh, Director of Scotland Excel, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, B Murray, Procurement Development Manager, A Richmond, Strategic Procurement Manager, G Sutherland, Senior Procurement Specialist, M Boyle, Senior Business Services Specialist, A Weir, Assistant Procurement Specialist, K Kerr, Assistant Procurement Specialist, I McNaught, Customer Development Manager, L McIntyre, Senior Communications Specialist, A Fraser, IT Modern Apprentice and L Jones, Personal Assistant to the Director (all Scotland Excel); and D Low, Senior Committee Services Officer, M Ball, Accountant and K Druce, Assistant Democratic Services Officer (all Renfrewshire Council).

## **DECLARATIONS OF INTEREST**

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

### **1 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 14 October 2016.

**DECIDED:** That the report be noted.

### **2 REVIEW OF STANDING ORDERS RELATING TO CONTRACTS**

There was submitted a report by the Clerk to Scotland Excel seeking approval to revoke the existing Standing Orders Relating to Contracts and replace these with revised Standing Orders Relating to Contracts, a copy of which were appended to the report.

The report intimated that the revised Standing Orders had been developed following a detailed review in light of the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; the Concession Contracts (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014. The report highlighted the key changes which had been made to the Standing Orders Relating to Contracts.

**DECIDED:**

(a) That it be agreed that the existing Standing Orders Relating to Contracts be revoked;

(b) That the revised Standing Orders Relating to Contracts attached as the Appendix to the report be approved; and

(c) That it be agreed that the revocation of the existing Standing Orders Relating to Contracts and implementation of the revised Standing Orders Relating to Contracts would take effect on the first working day following this meeting of the Executive Sub-Committee.

### **3 REQUEST FOR ASSOCIATE MEMBERSHIP: FOREST ENTERPRISE SCOTLAND**

There was submitted a report by the Director of Scotland Excel indicating that Forest Enterprise Scotland had submitted an application to become an associate member of Scotland Excel.

**DECIDED:** That the application by Forest Enterprise Scotland to become an associate member of Scotland Excel, at an annual membership fee of £500, subject to completion and signing of the agreement document, be approved.

#### 4 **UPDATE ON THE PROVISION OF PROCUREMENT SERVICES TO SEEMIS LLP**

There was submitted an update report by the Director of Scotland Excel in relation to recent discussions to provide procurement support services to the Seemis Group LLP.

The report intimated that Seemis Group LLP delivered an integrated national education management information system (MIS) for Scottish Local Government and associated supporting organisations and was initially established on behalf of the 12 Strathclyde Region councils. Since 2014, Seemis offered a complete solution that spanned all the essential requirements of an Education MIS geared to the needs of all Scottish Local Authorities. Whilst the products were now relatively stable it was clear that the current Seemis solution would become increasingly less fit for purpose over the next three to five years and it was intended to source a suitable partner from the marketplace and develop a new operating platform.

The report highlighted that as Seemis Group LLP pursued the delivery of a solution that would support an expanded operating model, a key enabler would be the implementation of a robust strategic sourcing model. Scotland Excel had developed a proposal to provide a procurement support services for this exercise and the report detailed a summary of this approach.

#### **DECIDED:**

(a) That the report be noted; and

(b) That the provision of procurement support services to Seemis Group LLP be approved.

#### 5 **CONTRACT APPROVAL: DEMOLITION SERVICES**

There was submitted an amended report by the Director of Scotland Excel relative to the award of a demolition services framework.

The report intimated that councils had an ongoing programmed requirement to demolish both domestic and commercial buildings. The framework provided Councils with the mechanism to procure demolition services without a repeated need to approach the open market for each programmed demolition. To meet the varying contracting requirements of Councils, Scotland Excel had developed this framework to incorporate two sets of standing industry terms and conditions to award demolition work. The NEC3 Engineering and Construction Short Contract and the SBCC Minor Works Building Contract were both available for use to participating Councils under this framework.

The report detailed that the framework was advertised at £16 million per annum across all three lots and there had been 31 tenderers submitting an offer before the closing date and time. Two tenderers failed to include a commercial submission as part of their response and were therefore not compliant and not considered further. Notice of non-compliance to one of the tenderers, Dem-Master Demolition Limited, prompted them to raise a court action against Scotland Excel challenging the decision to exclude their tender from further evaluation. Scotland Excel had successfully defended this challenge and following a decision issued on 19 October 2016 the framework could be awarded in the usual way. Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the

remaining compliant offers was conducted and Appendix 3 to the report provided full details of the overall scores per lot. Based on the evaluation undertaken, and in line with the criteria and weightings set out within the report and the published tender documents, it was recommended that the a multi-supplier framework agreement be awarded to the 24 suppliers as outlined in Appendix 3 to the report.

**DECIDED:** That the recommendations to award agreements to the suppliers, as detailed in Appendix 3 to the report, be approved.

## 6 **COMMUNITY BENEFITS UPDATE**

There was submitted an update report by the Director of Scotland Excel relative to the community benefits facilitated and delivered from the Scotland Excel portfolio of framework agreements from 1 April to 30 June 2016.

**DECIDED:**

(a) That the report be noted; and

(b) That the measures proposed to monitor delivery of community benefits for the remainder of the financial year be agreed.

## 7 **CONTRACT DELIVERY PLAN UPDATE**

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2016/17 contract delivery plan.

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

The report highlighted that contract delivery remained very active with 5 new contracts delivered so far and a further 12 planned by March 2017. In addition, 9 new contracts had been extended so far, with a further 5 planned by March 2017. The value of the portfolio was expected to grow to around £800 million by March 2017.

**DECIDED:** That the progress made to date be noted.

## 8 **OPERATING PLAN UPDATE**

There was submitted a report by the Director of Scotland Excel relative to the Q2 progress made against operating plan activities and commitments during 2016/17.

**DECIDED:** That the report be noted.

## 9 JOINT COMMITTEE DRAFT REPORTS

### 9(a) ASSOCIATE MEMBERSHIP STRATEGY

There was submitted an Associate Membership Strategy by the Director of Scotland Excel relative to the strategic directions and recommendations for operating the Associate membership of Scotland Excel.

The report intimated that the aim of the Associate Membership Strategy was to explore the method of offering supplementary and complementary services to a second tier of members that generated potential incremental income, whilst having no detrimental impact on our core members and to provide additional value to the wider public family.

#### **DECIDED:**

- (i) That the Associate Membership Strategy for Scotland Excel be noted; and
- (ii) That the submission of the Associate Membership Strategy to the Joint Committee meeting on 9 December 2016 be endorsed.

### 9(b) SUSTAINABLE PROCUREMENT STRATEGY

There was submitted a report by the Director of Scotland Excel relative to a revised Scotland Excel Sustainable Procurement Strategy, a copy of which was appended to the report.

The revised strategy built upon current practice and set out how Scotland Excel would best address recent changes in legislation, implement the new sustainable procurement duty and further incorporate sustainability into all of its procurement activity.

#### **DECIDED:**

- (i) That the report be noted; and
- (ii) That the submission of the report to the Joint Committee meeting on 9 December 2016 be endorsed.

### 9(c) UPDATE ON THE LEARNING AND DEVELOPMENT PROVISION

There was submitted an update report by the Director of Scotland Excel relative to Scotland Excel's Learning and Development (L&D) provision and direction. It was intended that the L&D strategy would be presented to the Scotland Excel Joint Committee meeting scheduled on 9 December 2016.

#### **DECIDED:**

- (i) That the report be noted; and
- (ii) That the submission of the Associate Membership Strategy to the Joint Committee meeting on 9 December 2016 be endorsed.

9(d) **UPDATE ON THE DEVELOPMENT OF A SMALL VALUE PROCUREMENT SERVICE**

There was submitted an update report by the Director of Scotland Excel relative to the proposal regarding the value that Scotland Excel could deliver to its member through the introduction of a small value procurement service. The proposal, if approved, would be implemented in fiscal 2017/18 and would run for four years, the life of the proposed contract.

**DECIDED:**

- (i) That the report be noted;
- (ii) That the introduction of a small value contracts team be endorsed; and
- (iii) That the submission of the report to the Joint Committee meeting on 9 December 2016 be endorsed.

9(e) **CARE HOME FUNDING**

There was submitted an update report by the Director of Scotland Excel relative to Scotland Excel's care home services for older people activity, as well as their role in the wider reform of adult social care and seeking support from the Executive Subcommittee for ongoing funding to be made available to continue with this critical service activity.

**DECIDED:**

- (i) That the progress made in developing and implementing a procurement and contract management service for care home services for older people be noted;
- (ii) That the prominent role Scotland Excel was undertaking in preparation for the National Care Home Contract fee negotiations for 2017/18 be noted;
- (iii) That the support Scotland Excel had provided to the wider adult social care reform agenda be noted;
- (iv) That a proposal for local authorities to continue to fund Scotland Excel's work in these areas for the next three years be supported;
- (v) That the submission of the update report to the Joint Committee meeting on 9 December 2016 be endorsed.

9(f) **PROPOSAL TO DEVELOP A PARTNERSHIP MODEL WITH CROWN COMMERCIAL SERVICES**

There was submitted a report by the Director of Scotland Excel relative to the proposal that Scotland Excel enter into a Partnership Agreement with Crown Commercial Services for the provision of cars and light commercial vehicles.

**DECIDED:**

- (i) That the report be noted; and

(ii) That the submission of the report to the Joint Committee meeting on 9 December 2016 be endorsed.

**9(g) AFFORDABLE HOUSING PROCUREMENT**

There was submitted a proposal document by the Director of Scotland Excel relative to a the role Scotland Excel could play in delivering the Scottish Government's aspirations within the Affordable Housing Supply Programme and seeking funding of £412,000 for a two year pilot programme to develop capability, implement policy and identify financial savings.

**DECIDED:**

(i) That the proposal document be noted; and

(ii) That the submission of the proposal document to the Joint Committee meeting on 9 December 2016 be endorsed.

**9(h) PROCUREMENT OF SOCIAL CARE SERVICES**

There was submitted a proposal document by the Director of Scotland Excel relative to a business case for interim financial investment to expand Scotland Excel's social care procurement shared service. Funding of £350,000 over the next two years would allow Scotland Excel to deliver an ambitious work programme that would ensure procurement plays its part in supporting the Scottish Government's flagship reform of health and social care.

**DECIDED:**

(i) That the proposal document be noted; and

(ii) That the submission of the proposal document to the Joint Committee meeting on 9 December 2016 be endorsed.

**10 JOINT COMMITTEE/EXECUTIVE SUB-COMMITTEE INDUCTION PLANS**

The Director of Scotland Excel referred to the local government elections to be held in May 2017 and advised that Scotland Excel would be preparing an induction package for new members of the Joint Committee and Executive Sub-committee to explain the role and function of the organisation. She then invited comments on what could be included in the induction package together with any other actions which could raise the profile of Scotland Excel amongst councils.

Comments received from members of the Sub-committee related to: the need to convey a proper understanding of Scotland Excel, what it was trying to achieve and how its business dovetailed with councils' business; the preparation of a letter to new council leaders highlighting the role of Scotland Excel; the need to continue dialogue with the Chief Executive Officers' Group; the production of a position statement, detailing progress on current workstreams; the importance of the appointment of capable elected members to the Joint Committee and Executive Sub-committee; and the general need to emphasise the importance of effective procurement within councils.

**DECIDED:** That the comments be noted.

11 **DATE OF NEXT MEETING**

That it be noted that the next meeting of the Executive Sub-committee would be held at 9.45 am on Friday 9 December 2016 in Glasgow City Chambers, George Square, Glasgow.