

WEST DUNBARTONSHIRE COUNCIL
Report by Chief Education Officer
Educational Services Committee: 5 June 2019

Subject: Procurement of Contracts

1. Purpose

1.1 This report provides Committee with an update on contracts that require to be procured and seeks authorisation from Committee to:

- authorise the continuation of the existing contracts utilising the Scotland Excel framework agreements for Children's Residential Care, Secure Care, Special Day Education and Residential Short Breaks Placements;
- authorise the continuation of call off contracts utilising the following Scotland Excel framework agreements for Education Supplies; and
- initiate the procurement processes for the procurements described in the report for other specialist services.

2. Recommendations

2.1 It is recommended that Committee:

- a) Authorises the continuation of the existing contracts utilising the Scotland Excel framework agreements for Children's Homes and Secure Care and Specialist Services identified at paragraph 4.1 of this report for the next four financial years when the position will be reviewed and reported to a future meeting of this Committee;
- b) Authorise the continuation of call-off contracts utilising the following Scotland Excel framework agreements for Educational Supplies identified at paragraph 4.2 of this report for the next four financial years when the position will be reviewed and reported to a future meeting of this Committee; and
- c) Authorises the initiation of the procurement processes, for the procurements set-out in paragraph 4.3 of this report, noting that the outcome of these process will be reported to a future Tendering Committee.

3. Background

3.1 The level of compliant spend within Education, Learning and Attainment (ELA) in financial year 2018/2019 was approximately 82.4%. A corporate target of 90% has been set for financial year 2019/2020). ELA is working with the Corporate Procurement Unit and have developed a plan to increase levels of

compliance with the procurement legislation and the Council's Standing Orders and Financial Regulations.

4. Main Issues

4.1 Children's Residential Care, Secure Care, Special Day Education and Residential Short Breaks Placements

4.1.1 The Council requires to purchase care placements on an ongoing basis to meet the needs of looked after children and young people as and when this is required. The Council, through ELA, currently uses Scotland Excel FAs for this service need. Due to the nature of this spend the contract strategy for this type of procurement has identified that these FAs continue to be the most appropriate means of procuring this type of service as they provide the Council with clear and transparent pricing information which confirms services within the agreed fee and the cost.

4.1.2 It is therefore proposed that the ELA continues to use these FAs for this purpose. Continuation of the existing contracts utilising the Scotland Excel FAs for Children's Residential Care and Education including Short Breaks (Scotland Excel contract reference 0517) and Secure Care (Scotland Excel contract reference 0716) ensures compliance with the Council's Standing Orders and Financial Regulations. The indicative annual costs from 2019/20 onwards is £3.745m based on the 2019/20 ELA revenue budget, though actual spend will vary dependant on need.

4.2 Educational Supplies

The Council has a procurement requirement to purchase "educational supplies" and currently does this through four Scotland Excel FAs. In considering options for future procurement of such supplies the contract strategy has concluded that these should continue to be used. Continuation of call-off contracts utilising the following Scotland Excel FAs: Education Materials (Scotland Excel contract reference 0916), Education and Office Furniture (Scotland Excel contract reference 0216), Library Books and Text Books (Scotland Excel contract reference 0617) and Audio Visual Equipment (Scotland Excel contract reference 0618) ensures compliance with the Council's Standing Orders and Financial Regulations. Based on 2019/20 budget levels and 2018/19 actual costs the indicative costs per year from 2019/20 onwards is £0.461m.

4.3 Other Specialist Services

ELA has a requirement to utilise specialist educational support services where such services are not provided in-house in areas such as: further education, outdoor education services, specialist educational support services and counselling services. ELA has been using suppliers for these services for a number of years and these arrangements require to be formalised through a procurement process. This process will involve the Corporate Procurement Unit and ELA agreeing an appropriate approach following the agreement of a contract strategy. The estimated annual spend on these services is around £0.525m and the procurement process will cover

the next four years. The outcome of these processes will be reported to future Tendering Committees.

4.4 Urgent Requirement to place Children and Young People in Residential Care and Secure Care Services

There may be instances where ELA requires to place children and young people urgently in Residential Care or Secure Care outwith the Scotland Excel FA due to specific individual needs. In such instances there is generally no time to develop a contract strategy. These requirements are budgeted for in a budget based on expected levels of need, however given the volatile nature of demand for these services pressure is often placed on the budget for these services. Information on such placements will be reported to future Tendering Committees.

5. People Implications

5.1 There are no people implications associated with this report.

6. Financial and Procurement Implications

6.1 Note the 2019/20 annual estimated value of the procurements detailed in this report is estimated at £5.659m. The ELA revenue for financial year 2019/20 onwards is expected to be sufficient to cover the costs of all services and supplies identified in this report.

6.2 These requirements are budgeted for in a budget based on expected levels of need, however given the volatile nature of demand for these services pressure is often placed on the budget for these services. Having said that ELA will always attempt to contain spend within budget. Any variation on budget is reported regularly within the financial performance reports together with mitigating actions.

6.3 Contract strategies for the services described at 4.1 and 4.2 have been developed and agreed and for the other services described above they will be developed by the Corporate Procurement Unit in close consultation with ELA. The contract strategies shall include but may not be limited to:

- contract scope;
- service forward plans;
- market research;
- understanding demand; and
- procurement route options.

6.4 The procurement approaches recommended in this report will increase compliance with the procurement legislation and the Council's Standing Orders and Financial Regulations.

7. Risk Analysis

- 7.1 The Corporate Procurement Unit will check if any provider has known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.
- 7.2 Should the Educational Services Committee decide not to proceed as recommended then this will delay procurements, may have a reputational risk, financial implications and may result in legal challenges.

8. Equalities Impact Assessment (EIA)

- 8.1 An equalities screening was undertaken to determine if there is any equality impact. The results were that there is no equalities impact.

9. Consultation

- 9.1 The Council's Corporate Procurement Unit, Finance Service and Legal Service have been consulted in relation to this report.

10. Strategic Assessment

- 10.1 Procurement compliance and sound financial practice are cornerstones of good governance and support ELA to pursue the strategic priorities of the Strategic Plan.

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Date: 31 May 2019

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Appendices: None

Background Papers: None

Wards Affected: All Wards