



Welcome from Dorothy Cowie, Director of Scotland Excel

It is my pleasure to welcome you to this edition of the Scotland Excel newsletter, XL News. This is the second edition of a quarterly series of newsletters designed to keep you up to date with the developing procurement landscape in Scotland and to provide you with an update on the development of Scotland Excel since our launch in April last year.

It has been an exciting and challenging first 10 months establishing the organisation, welcoming new customers, engaging with new suppliers and stakeholders and developing new ways of working to deliver contracts that secure benefits for our customers. As the organisation develops over the next 12 months and moves into a fully operational mode, I am sure that 2009 will be an equally challenging and rewarding time. Our focus over that period will be to

deliver best value contracts for our customers, improve engagement with all stakeholders and increase our contract portfolio. Our plans for 2009 include the delivery of around 30 contracts and we will be looking to incorporate the new areas of care and construction to this list during the year. I look forward to working with you on the delivery of these objectives in the coming 12 months.

We would be delighted to receive your comments regarding the style, content and format of this newsletter and would be happy to feature news that is specific to your organisation. If you would like to submit an article or discuss a feature for a future edition of the newsletter please get in touch with our marketing team. You can contact us at the following email address contactus@scotland-excel.org.uk

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SHETLAND SIGN

On 10 September 2008, Shetland Islands Council agreed to join Scotland Excel. A paper submitted to the Council indicated that savings of between 15% and 20% could be made using just the plumbing, building materials and electrical supplies contracts that Scotland Excel have in place. As these areas represent approximately £1M worth of expenditure for the Council, Shetland Council could see tangible benefits of Scotland Excel membership. The Council report suggested that further savings could be made through wider use of the contracts available to them and work is now ongoing to confirm and secure these.

So, within 6 months of the launch of Scotland Excel, 28 Councils have agreed to work together within a collaborative procurement framework – an excellent result for us all!



SHETLAND
ISLANDS COUNCIL

Scotland Excel Honoured at National Excellence Awards

Scotland Excel has been honoured for outstanding achievement at the inaugural Government Opportunities (GO) Magazine Excellence in Public Procurement Awards Scotland.

The GO Awards Scotland, organised by BiP Solutions Ltd, are the first Awards dedicated to public procurement in the region. The Awards ceremony was held on the evening of the Scottish Government National Public Procurement Conference (29 October 2008) at the Crowne Plaza Hotel in Glasgow.

Accepting the Award, Dorothy Cowie, said "We're absolutely delighted to win this Award. It's a real recognition for everyone who worked with us in the project. This includes the Scotland Excel staff, colleagues in the local authorities and everyone on the steering group who helped us establish and launch the organisation in April this year."

The judging panel for the GO Awards Scotland includes representatives from many of the procurement and business communities including Nick Bowd, Director of the Scottish Procurement Directorate, John McClelland, author of the Review of Public Procurement in Scotland and Iain M McMillan, Director of CBI Scotland.

GO Managing Editor Grahame Steed believes that Scottish procurement professionals should be recognised for the demanding work that they carry out so successfully, and the GO Awards Scotland provide an excellent means of doing just that.

"The GO Awards Scotland demonstrate that public procurement - as a profession and as a public service - has a great deal to be proud of and

much to celebrate. Our thanks go to the entrants, supporters, sponsors and individuals who made it an evening to remember for the procurement profession."

"Congratulations must go to Scotland Excel and all those who were recognised for their achievements."



Some project team members receiving the GO/John F McClelland Collaborative Procurement Award from Grahame Steed and John McClelland.

Photograph courtesy of Government Opportunities (GO) Magazine.

BENEFITS TRACKING



As a customer focussed organisation, it is important that Scotland Excel is able to demonstrate the value that it brings to the participating local authorities. During 2009 we will be developing the key performance measurements that are in place across the organisation and will demonstrate our success through a series of different measures. These will include cost savings, increased contract take up, acquisition costs savings, on time delivery of contracts and time taken to place contracts.

One of the key focuses for early 2009 will be on costs savings and the benefits will be assessed at three stages of a contract life cycle:

- **Stage 1** Establishing a cost baseline – "what we pay now"
- **Stage 2** Forecast savings at the time of contract award
- **Stage 3** Savings that we actually achieve throughout the life of a contract

A benefits tracking team, led by Ian Taylor, Head of Strategic Procurement and including staff from Scotland Excel and the local authority procurement teams will be developing these measures in early 2009.

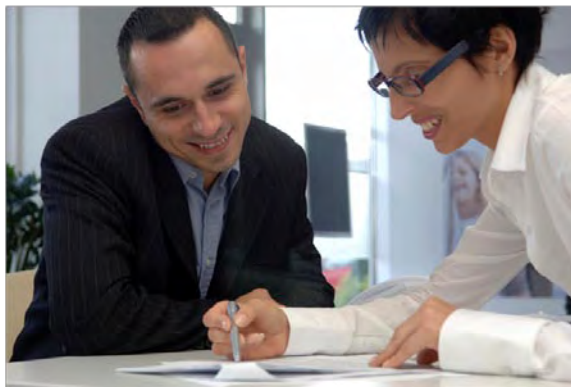
Update on Scotland Excel's Regional Offices

Scotland Excel have set up regional offices in Aberdeen, Edinburgh, Inverness and Paisley to provide front line customer support and to liaise with many areas of the Scotland Excel business with a view to developing relationships, understanding councils needs and to assist in working towards delivery of the Scotland Excel savings target. Working closely with councils, the regional offices will assist with contract benchmarking and cost analysis, establish possibilities for contract collaboration and support the organisation at local supplier events. The four teams will also market and promote the use of Scotland Excel contracts within their regions and will collate and resolve any local issues with those contracts.

Aberdeen

Councils supported by this regional office: Aberdeen City, Aberdeenshire, Angus, Dundee, Perth & Kinross.

The Aberdeen office have been working with their member councils to identify the level of benefits to be gained by early participation in some of the Scotland Excel contracts such as the supply of plumbing materials, electrical materials and groceries. This involves comparing specifications and prices of products and highlighting where opportunities exist through use of replacement products to those previously purchased by the authorities. Some of the Councils in the Aberdeen regional office area are planning to consolidate their purchasing requirements for certain commodities and run "mini competitions" which is allowed for under the Scotland Excel framework agreements and the regional team have been assisting in data gathering to help facilitate this exercise which should result in even better results for the councils involved.



The team have been active in many areas including supporting a procurement seminar in Dundee aimed at helping local businesses sell their goods and services to the public sector and meeting with their local authorities to introduce the regional team and begin the process of working together to ensure that Councils gain the maximum benefit from their membership of Scotland Excel. Mary Mitchell, Corporate Procurement Manager of Perth & Kinross Council said

"The Perth & Kinross team are pleased to have a dedicated contact through which we can maximise the benefits of our membership of Scotland Excel".

Edinburgh

Councils supported by this regional office: East Lothian, Edinburgh, Fife, Midlothian, Scottish Borders, West Lothian.

The team is now up to full complement with the addition of Pete Lang who has joined from the NHS Centre of Expertise and has good background and experience of collaborative procurement in practice. Similar to the Aberdeen team their focus has been on establishing the benefits to their member councils from usage of Scotland Excel contracts and ensuring that the contracts reflect the needs and expectations of their members. Benchmarking exercises have been undertaken on contracts such as groceries and data collection exercises completed for other commodities such as frozen foods to establish what products councils require to be included in the Scotland Excel contracts. Meetings have been held with all their member councils to discuss the areas where the team can provide help and support, in particular on trades and education contracts, to help the councils realise the possible opportunities available through participation in these arrangements.

The team recently supported a well attended event organised by Sustainable Scotland Network which was held at Dynamic Earth in Edinburgh and provided information on the development of Scotland Excel's sustainability strategy.

(Update on Scotland Excel's Regional Offices continued from page 3)

Inverness

Councils supported by this regional office: Comhairle nan Eilean Siar, Highland, Moray, Shetland.

The Inverness Office has been busy establishing which Scotland Excel contracts their member councils can participate in and the benefits being achieved. Various surveys have been issued to members on behalf of the commodity teams in Scotland Excel to ensure that the products and services the Councils require are included in the contracts. The team are also working closely with their colleagues in the local authorities to ensure that they are involved in the User Intelligence Group who provide valuable input into the contract development process. Ian Cockburn from Comhairle nan Eilean Siar said

"Comhairle nan Eilean Siar has already seen the benefits of the newly formed regional team in Inverness. Since its start the regional team has worked closely with the Comhairle Procurement Section in the adoption of contracts such as Catering Sundries and Disposables. Communications have improved and the regional team now has a greater understanding of the Comhairle's unique logistical problems and procurement requirements. The Comhairle believes its objectives are now understood and that they will be well represented by the team."

Diane Law from Moray Council made the following comment

"It has been really good to have a local connection with Scotland Excel. We can now call upon familiar faces to assist our development, help resolve contract issues, clarify communication and generally forge closer links with Scotland Excel. This also works the other way with Scotland Excel now having a clearer understanding of our particular local environment and the challenges we face."

A forum has been established of the Heads of Procurement from the member councils of the Inverness office which met for the first time in December and discussed common issues such as supplier development, e-procurement initiatives and the sharing of best practice across the group.

Paisley

Councils supported by this regional office: Argyll & Bute, Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire, West Dunbartonshire.

The Paisley Office has embarked on a series of individual meetings with their member councils to understand their needs and expectations of Scotland Excel and also ensure that their requirements are included in the development of new collaborative contracts. This has involved data collection from councils on what they currently buy and also some benchmarking activity to ascertain the levels of benefits likely to be achieved from participating in Scotland Excel collaborative contracts. Alan Priestley of Dumfries and Galloway Council said

"potential significant savings of around 22% could be realised by using the Scotland Excel signage contract"

In addition the team has hosted two meetings of the corporate procurement managers from member councils to facilitate discussion on areas such as the timelines for the introduction of new contracts, the identification of further collaborative opportunities, the performance of existing arrangements and the capturing of benefits. A regular programme of such meetings is now in place.

Other areas where the team have been involved include presenting to a training day held especially for elected members in Ayrshire to further their knowledge and insight into the changing face of public sector procurement and the role played by Scotland Excel in serving the needs of the local authority sector. The team have also supported a "meet the buyer" event held in Glasgow with the specific remit of providing information aimed at assisting businesses to sell their goods and services to the public sector.

Scotland Excel Staff

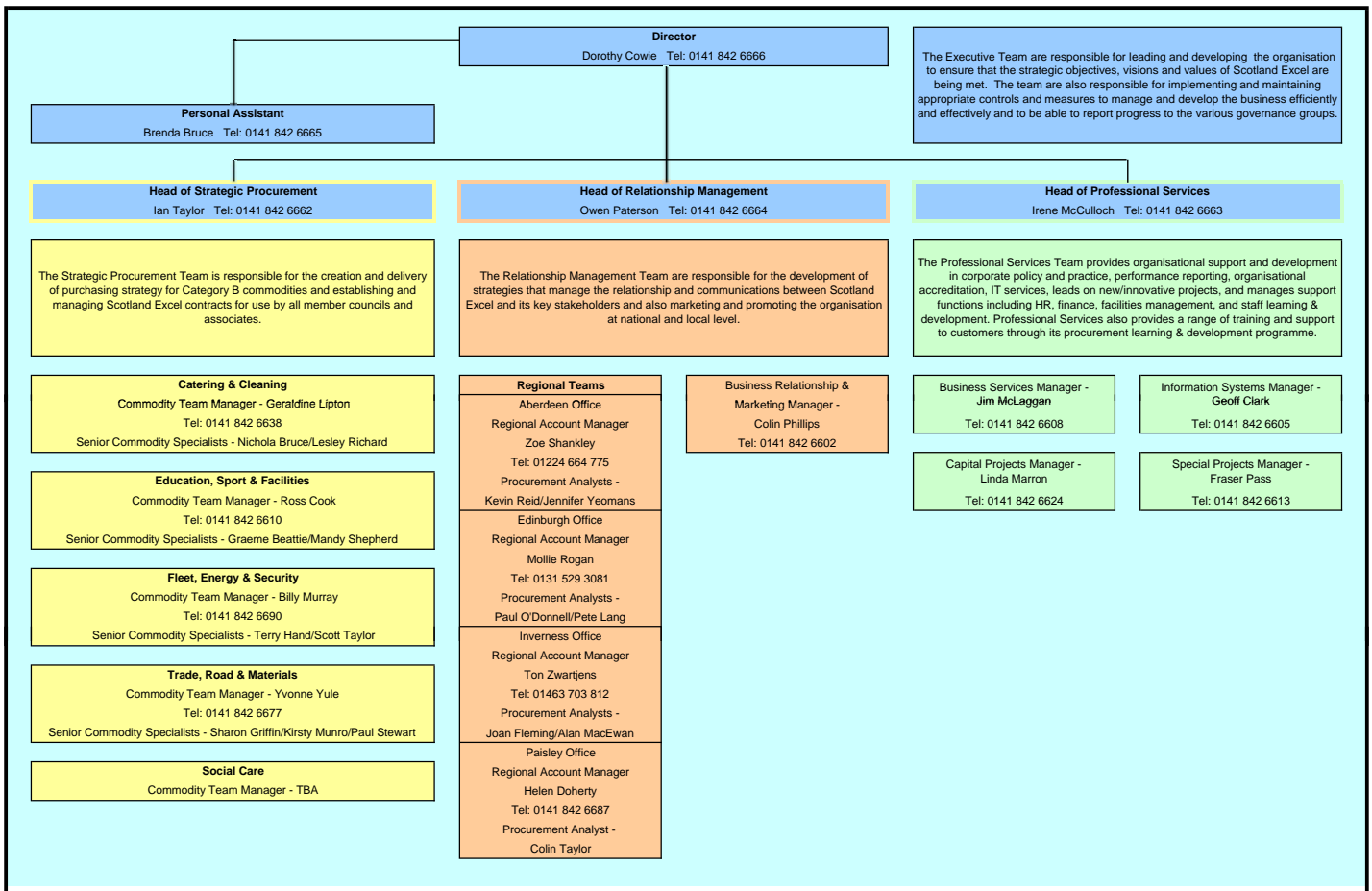
Scotland Excel's organisational structure has been taking shape since the launch of the organisation in April 2008.

Since then, a number of new appointments have been made to strengthen the team including Ian Taylor as the new Head of Strategic Procurement. Ian, who has a proven track record in supply chain and operations activities, has extensive experience of creating and implementing strategic plans and achieving objectives. When asked about the challenges ahead, Ian commented **"It's an exciting time to be joining Scotland Excel. I'm really looking forward to working with the Scotland Excel team and the local authority teams to build on our past successes and achieve our savings goal."**

The regional teams based in Aberdeen, Edinburgh, Inverness and within the Head Office

at Paisley are also now in place. Paul O'Donnell, who started recently as a new Procurement Analyst, said **"We are now up and running in the Edinburgh office and have found all members of the Scotland Excel team really helpful in giving us a flavour of what we require to do (and what we will require from others!) to make our office a real success. We are looking forward to building our alliances with our colleagues in Anchor Mill and around the local authorities over the coming weeks and months."**

An overview of our structure is shown below. Contact details along with the contracts and activities carried out within each of the teams can be found on the Scotland Excel website or by clicking on the following link <http://www.scotland-excel.org.uk//documents/TelephoneList.pdf>.



2009 Contract Delivery Plan

Scotland Excel's 2009 Contract Delivery Plan has now been published. The new contract delivery plan aims to deliver more than double the number of contracts than were awarded during 2008. The plan incorporates a number of new opportunities and covers a collective spend of over **£200 million** annually.

2009 Contract Delivery Plan		
Product Range	Award Date	Start Date
PPE	Feb-09	Mar-09
Bitumen	Feb-09	Apr-09
Early Learning Materials	Feb-09	Apr-09
Exercise Books	Feb-09	Apr-09
Musical Instruments	Feb-09	Apr-09
Science Equipment and Materials	Feb-09	Apr-09
Specialist Audio Equipment	Feb-09	Apr-09
Light Vehicles	Mar-09	Apr-09
Educational Software	Apr-09	Apr-09
Advertising	Apr-09	Jun-09
Domestic White Goods	Apr-09	Jun-09
Industrial Gases	Apr-09	Aug-09
Frozen Food	May-09	Jun-09
Casual Hire of Vehicles and Plant	Jun-09	Jul-09
Hygiene Units	Jun-09	Jul-09
Heavy Vehicles	Jun-09	Aug-09
Office Furniture (inc Metal)	Jul-09	Aug-09
Education Furniture	Jul-09	Aug-09
Milk - Fresh Pasteurised	Jul-09	Aug-09
Ironmongery	Aug-09	Oct-09
Rocksalt	Aug-09	Oct-09
Trade Tools and Sundries	Aug-09	Oct-09
Wheeled Bins	Aug-09	Nov-09
Hygiene Solutions and Paper Towels	Sep-09	Oct-09
Meats - Fresh prepared, cooked inc. fresh Fish	Sep-09	Oct-09
Aids for Daily Living	Oct-09	Nov-09
Tyres	Oct-09	Nov-09
Vehicle Spare Parts	Nov-09	Dec-09

Our full contract portfolio can be found by clicking on the following link <http://www.scotland-excel.org.uk/documents/ContractPortfolio.pdf> or by visiting the Scotland Excel website.

Increasing the number and value of contracts placed and realising new opportunities are key to accelerating our 2009 savings programme.

We plan to consult with members Corporate Procurement Teams during the months of January and February to agree near term savings priorities and additional opportunities for 2009 delivery, specifically in the areas of care and construction.

e-Procurement

In October Gerry Feeley joined Scotland Excel as an eProcurement Specialist. Gerry previously worked for BiP Solutions and brings with him extensive experience of electronic tendering, procurement and auction systems.

Gerry is working with colleagues in local authorities and with the other centres of expertise to build a detailed picture of the current position and planned developments within the field of e-Procurement. Developing this picture and working closely with colleagues in local authorities will enable us to identify opportunities to improve our supplier adoption processes - the way in which we bring suppliers onto our electronic systems.

Any e-Procurement system needs suppliers that are willing and able to trade electronically with their customers. It is hoped that by working together we will simplify the interfaces and streamline our processes for suppliers as their co-operation is crucial.

Gerry has also been looking at the processes and procedures for the production of electronic catalogues (eCats) to help Scotland Excel deliver a better service to its customers. As part of this process, a new e-Procurement Practitioners

Group has been established and their feedback was sought at the first meeting hosted by Scotland Excel in the Paisley office in October. The aim of this group is to identify areas for improvement in the area of e-Procurement and to provide a forum for sharing of best practice and discussion on future developments.

Gerry has also joined the Project Board for the Catalogue Content Management Project led by the Scottish Government's e-Procurement Scotland (ePS) team. The aim of this project is to enable electronic catalogues to be created by Scotland Excel (and the other centres of expertise) and distributed to end customers of e-PS for upload into their systems. At present much of this activity has to take place at an individual local authority level which results in duplication of effort. The Catalogue Content Management Project aims to eliminate this duplication and simplify the process for everyone.

If you have any feedback about e-Procurement matters, would like more information or to join the e-Procurement Practitioners Group, please contact Gerry. You can e-mail him on gerry.feeley@scotland-excel.org.uk or call him on 0141 842 6606.



Supplier Development Programme

Construction Event

The Supplier Development Programme (SDP) assists businesses improve their performance in winning contracts with public sector organisations. It offers information and support covering procurement issues and helps unravel the tendering process.

One of the Supplier Development Programme's most successful events is 'Meet the Buyer', when SMEs have the opportunity to meet and network with key buying and support organisations. On Wednesday 26th November at Celtic Park in Glasgow, Scotland Excel exhibited at a meet the buyer event held by SDP, tailored specifically for the construction industry.

Throughout the day there was an exhibition and seminar sessions with key representatives from major public organisations including several

local authorities. The day proved successful with exhibitors and delegates alike and feedback from the day suggests that the event provided the opportunity for suppliers to meet personnel from public sector organisations to discuss tender processes and opportunities, and ultimately enhance their business network.

Positive remarks from delegates/exhibitors about the day:

"As an exhibitor it was good to network and meet with potential suppliers"

Kevin McGrath, East Dunbartonshire Council.

"It was a chance to make direct contact with some of the key people in public sector procurement and discuss some barriers to trade I've encountered"

Douglas Morwood, GDS Contracts.

To find out more about the Supplier Development Programme and to access the full range of support simply register your business details at www.sdpscotland.co.uk/register-business. For further information contact sdp@drs.glasgow.gov.uk or 0141 287 7251.

Learning and Development

Scotland Excel has made a clear commitment to assist the local authorities to increase procurement capability across the sector through developing and delivering training opportunities directly to local authorities across Scotland. Training has been taking place and below are some of the comments from local authorities:

“highly useful and information presented was easy to understand”

*“the trainer was knowledgeable”;
“underpinned theory with examples”;
“made a dry subject interesting”*

“very practical – thus making it useful in my day to day work”

Local authorities will be required by Audit Scotland to provide evidence of how they have increased their procurement capability and this is where Scotland Excel can assist with a very wide variety of training courses, seminars and other learning interventions.

We launched our first CIPS qualification Level 2 & 3 course in January 2009 in Glasgow and the course commences on the 26th February 2009 in Edinburgh. The programmes run over 20 weeks and costs are substantially less than obtaining the qualifications in the traditional way. This innovative new delivery of the CIPS qualification was developed by Glasgow City Council in partnership with Central College Glasgow and SVQ. We are very keen to hear from you if you are interested in seeing this developed in your part of Scotland. There are

a few remaining places in Edinburgh - please contact the Scotland Excel HelpLine to book places or to find out further information about future events.

Our current training schedule can be found by clicking on the following link http://www.scotland-excel.org.uk/documents/TrainingScheduleJan_Mar09.pdf.

The schedule will evolve and grow as we address the key issues facing local authority procurement and you will see regular updates on the Scotland Excel website. To secure places please contact the Scotland Excel HelpLine on 0845 606 8726 or e-mail training@scotland-excel.org.uk.

If you require further information, wish to give us some input or discuss specific tailored training needs please contact the Scotland Excel HelpLine on 0845 606 8726 or email training@scotland-excel.org.uk.



The Sustainable Scotland Network's Annual Conference 2008

The Sustainable Scotland Network (SSN) is a network of sustainable development officers and advocates from Scottish local authorities. Scotland Excel participated in their recent Annual Conference. The conference "Accounting for Sustainable Development" was held on 13th and 14th November in Edinburgh. Over 170 delegates from a wide range of backgrounds including – sustainable development, finance and procurement participated in this key event. The Conference focused on important strategic issues like sustainable economic growth, carbon accounting and sustainable procurement.

SSN exists to improve local government's contribution to achieving a sustainable Scotland; supporting local government's sustainable development obligations under the Local Government Act 2003.

There are a number of common principles for all local authorities in their engagement with sustainable development. SSN's experience tells us that progress is needed across six areas for local authorities to make significant moves toward sustainable development and have established a 6-point framework looking at:

- Leadership
- Legislation
- Culture Change
- Programmes for Action
- Scrutiny and Accountability
- Resources

This 6-point framework is practically applied through four national programme priorities – Best Value, Climate Change, Local Footprints and Procurement for Sustainability.

Procurement for Sustainability aims to support local authorities to procure responsibly and in a way that delivers community well being, minimises resource use and prevents environmental degradation. The SSN has established a 'Sustainable Procurement Working Group' to embed economic, environmental and social sustainability within Scottish local authorities' corporate procurement practice.

The working group is developing a 3 year action plan to introduce initiatives that will meet their objectives. These include the development of a "basket" of sustainable development clauses for incorporation into a range of contracts, adoption of a simple sustainable procurement policy and the fostering of stronger links between sustainable development, procurement and finance officers within local authorities.

Irene McCulloch, Scotland Excel's representative on the Sustainable Network Procurement Working Group, said of the November Conference

"Within the reform of Scottish public sector procurement which is currently ongoing, the Conference presented us with a very timely opportunity to bring together expertise from very knowledgeable speakers and conference delegates. It was a great opportunity to look at what the barriers to change are and how we can address these to ensure we adopt a sustainable approach in the spending of public funds. There is much excellent practice going on in the public sector procurement and also in the public sector sustainability but sometimes this development is in isolation of each other. We aim to bring these disciplines together to learn from each other and work innovatively with the aim of assisting to build a strong sustainable Scotland with a public sector which drives not only financial savings but delivers sustainable benefits in many ways. We don't need to reinvent the wheel as there is much good practice out there which we can adopt and deliver benefits from. The Conference was a very valuable opportunity to share this knowledge and expertise."

For further information on SSN and the work that the Procurement Working Group is currently doing, please go to the website:
www.sustainable-scotland.net



Changes to the Scotland Excel Catalogue 2009/10 Edition

We are currently implementing a number of changes to the Scotland Excel catalogue. Following a review and feedback from our customers, it has been agreed that the catalogue will no longer be produced in its paper format and will focus solely on the formal contracts and frameworks that Scotland Excel manages.

Many of our customers are now using e-procurement systems and have asked for our contract details to be provided in the form of an electronic catalogue that can be uploaded into their e-procurement systems. This is a very cost effective way of distributing contract information and ensures that contract information is up to date and easy to maintain. We will, of course,

also continue to publish an electronic catalogue on the members area of the Scotland Excel website to provide full details of the goods and services on offer. Like the e-procurement systems, the electronic catalogue available on our website ensures that our customers receive up to date information about our contracts which helps streamline the overall procure to pay process for councils.

For those customers who may not be able to access the website a catalogue will be available but in a much more environmentally friendly CD format rather than in paper.

What this means for customers...

- If you are not already registered to gain access to the catalogue in the members area of the Scotland Excel website, please call the Scotland Excel HelpLine on 0845 606 8726 for details or visit www.scotland-excel.org.uk or e-mail us at contactus@scotland-excel.org.uk
- If you wish to receive the catalogue in CD format please contact the Scotland Excel HelpLine on 0845 606 8726 by Friday 13th February 2009

What it means for suppliers...

- We will not be providing advertising opportunities within the new catalogue. If you are interested in doing business with the public sector then you may wish to register on the Public Contracts Scotland Advertising Portal. This is a new, free to use portal where public sector contract opportunities will be advertised. A number of public sector bodies, including Scotland Excel, have become early adopters of the portal. To find out more about it or to register, suppliers should make contact via the website www.publiccontractsscotland.gov.uk
- Scotland Excel are also partnering with the Supplier Development Programme which is a partnership venture between Economic Development departments of a number of local authorities throughout Scotland. The Supplier Development Programme has been set up with the specific purpose of assisting businesses improve their performance in winning contracts with the Scottish Public Sector. To find out more, please visit www.sdpscotland.co.uk
- If you require any more information on the reforms that are going on within public sector procurement, please visit the Scottish Government website www.scotland.gov.uk which provides useful information in its "topics" section "information for suppliers"



One of the recommendations from the McClelland report was that a single public sector “electronic portal” be established to, amongst other things, increase competition and support ‘Best Value’ and enable the public sector to achieve strong communication links with buyers and suppliers.

The portal is called Public Contracts Scotland and the website can be found at www.publiccontractsscotland.gov.uk

John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth, officially launched Public Contracts Scotland at the Government’s National Public Procurement

Conference held in Glasgow in October 2008.

The portal gives suppliers access to free valuable contract information across the public sector with easy access to the latest contract opportunities thereby increasing competition and providing transparency. Suppliers will be able to view the contract notices posted and, if registered, will receive free e-alerts notifying them of relevant contract opportunities to their business.

Scotland Excel became an early adopter of the portal and we are continuing to advertise our contract opportunities on the portal.

If you would like further information please contact Scotland Excel or visit <http://www.publiccontractsscotland.gov.uk>

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