



GUIDANCE NOTE

Response to SPPN 3/2017

Assuring our clients of Scape framework compliance

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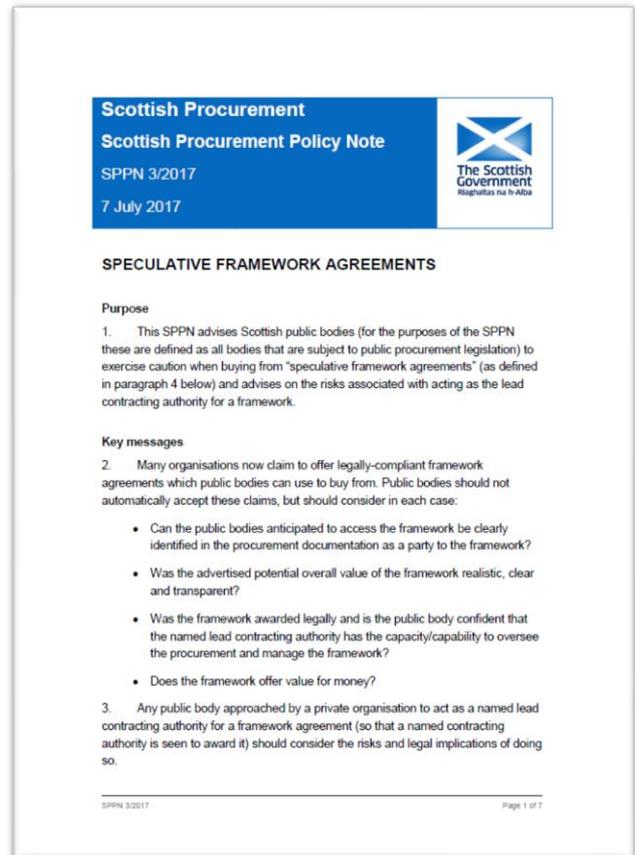
1. Introduction

In March 2017, Scottish Procurement issued a Procurement Policy Note, regarding 'Speculative Framework Agreements'. (SPPN 3/2017, 7 July 2017).

The SPPN provides guidance as to how Contracting Authorities should apply caution when buying from frameworks. Scape Procure Scotland welcomes this guidance note and echoes the advice of Scottish Procurement.

Our teams have been made aware of a small number of public bodies in Scotland, querying the organisational status of Scape Procure Ltd and Scape Procure Scotland Ltd.

This document has been prepared to provide assurance through evidence that the suite of frameworks available from Scape Procure Scotland, are fully compliant with Scottish Procurement Regulations.



2. Market Context

In recent years, a number of private sector organisations have commenced activity in the United Kingdom, operating as a 'Contract Administrator'.

These organisations align themselves to a public body, which is then named as the 'lead Contracting Authority'. Through this commercial relationship, these organisations have sought to procure frameworks in a similar manner to established public sector framework operators.

As the SPPN indicates, there are a number of risks and legal implications to utilising services from organisations that hold this status.

It is important to make clear that Scape Procure Ltd and Scape Procure Scotland Ltd are not private sector organisations and are both Contracting Authorities in their own right.

As such, Scape does not hold the same legal status as the organisations described and the use of its frameworks are not subject to the risks noted in the SPPN.

3. Legal Compliance Explained

The suite of frameworks available from Scape Procure and Scape Procure Scotland are fully compliant with European, UK and specifically, Scottish Procurement Regulations.

The following points should be noted by all legal, procurement, estates and property teams:

- **In compliance with the Public Contracts Regulations, public bodies that are able to access the suite of Scape frameworks, are clearly identifiable within our Contract Notices.**

Specifically, all public bodies across the United Kingdom are either explicitly named, or by other clear measures. These measures include the insertion of a web link that lists public bodies by sector, or a reference to a given category of Contracting Authorities within a clearly delineated geographical area.

As such, Contracting Authorities across Scotland and the rest of the United Kingdom can be easily and unequivocally identified.

It is important to clarify that the resulting contracts are not speculative framework agreements. There is no legal requirement to consult or obtain consent when referencing Contracting Authorities in a Contract Notice.

- **Call off processes are clearly defined within framework agreements and accompanying user guides.**

These are made available to all clients when completing an Access Agreement to allow call off any of the frameworks.

- **In Contract Notices and procurement documentation, Scape sets out the value of a framework that is based upon empirical market analysis.**

The overall value of a new framework is constructed using a variety of intelligence sources, including but not limited to government project and infrastructure pipeline data, a review of client informed pipelines, historical framework performance, and other reputable secondary sources as appropriate.

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- **Scape is wholly owned by 6 Local Authorities and was formed under the Local Government Act 2003. It is a Contracting Authority and Central Purchasing Body.**

With procurement expertise that has generated a range of compliant frameworks since 2006, Scape has never been the subject of a legal challenge.

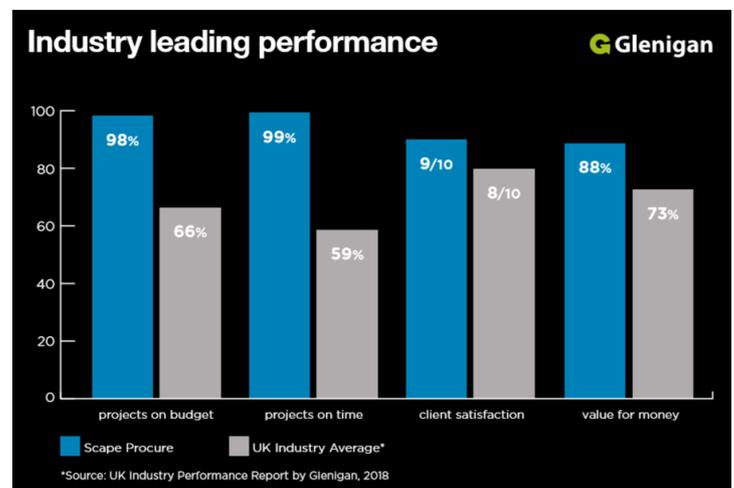
Any project audits that have been conducted by external funding agencies or individual clients' internal auditors have all been satisfactorily concluded and all Scape frameworks have been accepted as a procurement route that is fully legally compliant.

- **All Scape frameworks are fully performance managed to ensure the highest delivery standards and to maximise socioeconomic impact in the local community**

Scape's frameworks are fully performance managed by a team of dedicated framework managers.

Their role is to ensure that our delivery teams – highly reputable contractors and consultants, supported by an extensive local supply chain – consistently deliver the highest levels of project performance across a range of key performance indicators.

The standards of delivery have consistently surpassed national averages as indicated in the Glenigan UK Industry Performance Report.



- **Scape's Responsible Procurement model brings local investment, in addition to achieving industry leading levels of quality and value for money.**

98.55% of all spend with Scape Procure Scotland stays with the Scottish community and generates £380 m of community engagement.

In addition, in its first 10 years of operation the use of Scape frameworks has facilitated over £1.3bn of project spend being made within 20 miles of each site.

Within the Major Works – Scotland framework, 85% of contract spend is required to be spent with SMEs. The framework agreement requires all SME partners to be paid within 19 days.

Every project also requires delivery partners to support the development of the next generation of the labour force and play their part in addressing the well-publicised skills shortage, through to apprenticeships, training schemes, school engagements and educational visits. To date, Scape projects have introduced over 92,000 young people to the construction sector.

4. Shared Vision

Scape Procure Scotland is a public-sector organisation that shares its values and vision with the public sector in Scotland. It does not procure using a ‘flag of convenience’ (SPPN 3/2017, P3) of other Contracting Authorities.

With six fully engaged Local Authority shareholders, Scape Procure Scotland’s vision, values and success criteria are entirely aligned to the wider Scottish public sector.

We share our client’s commitment to achieving maximum value for money from the public purse, enabling effective service delivery, as well as encouraging local economic and community activity as a part of every project.

These values underpin the strategic definition of a framework and project success criteria are assured through a robust, rigorous and compliant process.

Scape Procure Scotland welcomes SPPN 3/2017 to reiterate the importance of compliant procurement and will work with any Contracting Authority to support their procurement and project needs through our responsible procurement and efficient delivery.



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