



ANNUAL PROCUREMENT REPORT 2023/2024

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Introduction

Shetland Islands Council (“the Council”) is a Local Authority providing a range of amenity and community services to a population of approximately 23,000 inhabitants. It is the Roads Authority for the islands and the Harbour and Pilotage Authority for the Port of Sullom Voe, which serves the Sullom Voe Oil Terminal, and a number of other small ports and harbour facilities. The Council also provides procurement and related support to the Zetland Transport Partnership (ZetTrans) covering local transport services to the Shetland community, including bus services, the Inter-Island Air Service and the Inter-Island ferry service.

This Procurement Report is published by the Council in compliance with Section 18 of the Procurement Reform (Scotland) Act 2014 (the Act).

The Council operates a devolved model of procurement across five directorates. A central procurement team comprising 3 FTE staff in the Assets, Commissioning and Procurement Service of the Corporate Services Directorate provides advice and support to all the directorates. The directorates are - Children’s Services, Community Health & Social Care, Corporate Services, Infrastructure Services and Development Services. Contracts estimated at £50,000 and above, require to be administered via Assets, Commissioning and Procurement.

The current Procurement Strategy 2023-2026 is underpinned by the Council’s Contract Standing Orders and corresponding procurement legislation. It provides a direction of travel for procurement activity in the period from 2023 to 2026.

Section 1 – Summary of Regulated Procurements

A total of 39 Regulated Contracts were awarded in the period from 01 April 2023 to 31 March 2024. This includes 16 that were awarded to multiple suppliers for the Provision of Business Gateway Shetland Advisory Services Framework Agreement. There were no regulated contracts that exceeded an estimated value of £4,000,000 hence no Community Benefits are reported on this occasion. Supporting information relating to those and all other awards administered by or notified to the central procurement team are detailed in Appendix 1 - Contracts Awarded during 2023/2024. Table 1 provides a summary of that information.

Table 1 - Summary of Contract type awarded from April 2023 to March 2024

Contract Type	Number	Estimated Contract Value (£)
Total Regulated Contracts for Period	39	£12,114,056.87

Section 2 - Review of Regulated Procurement Compliance

The Council's Procurement Strategy 2023-2026 and Corporate Plan "Our Ambition" 2021-2026 are aimed at supporting the Council's broader goals of sustainability, economic development, and community well-being and aligned with the council's vision for Shetland's future. The Procurement Strategy applies to all procurement activity not only Regulated Procurement.

The Regulated Procurements summarised in this report complied with the Council's Procurement Strategy in meeting the following strategic objectives:

- Achieving best value through efficient, effective, and economic procurement practices.
- To continuously improve its procurement processes to achieve better value for money and enhance service delivery.
- Focusing on reducing emissions and emphasising sustainable procurement practices.
- Emphasis on supporting local suppliers and contributing to the local economy ensuring procurement activities deliver social value and community benefits.

Section 3 - Supported Businesses and Regulated Procurements

The Council reserve the right to participate in procurement for the award of public contracts/frameworks to supported businesses by engaging Social Enterprises that provide opportunities for persons who are disabled or disadvantaged. The Council work to involve these businesses under existing commissioned services contracts and engage with them when other relevant contract opportunities arise. To put this into context, the actual spend identified with a Supported Business for the reporting period was £506.17 ex VAT. The estimated value of expenditure with businesses engaged to provide Commissioned Services was approximately £429,776.00. There was one Light Touch regulated procurement for this period.

Section 4 – Future Regulated Procurement Summary

The Council's anticipated procurement activity for the next two financial years is at Appendix 2 which includes information regarding Regulated and Non Regulated Procurements for that period.

Section 5 – Shetland Islands Council Update

Supplier Development – The central procurement team represented the Council at a Future Housing Development event where the focus was on the programme of affordable housing provision in the short, medium and longer terms and to encourage businesses operating in the sector to actively participate and to register on Public Contracts Scotland.

Construction Activity – The construction sector in Shetland generally comprises a range of small and medium size enterprises (SME's), who are well placed to tender for lower value construction contracts, i.e. those that are below the £2,000,000 threshold applying to a Public Works Contract.

The Future Housing Event will be developed further during 2024/25.

Staff Development – Staff within the central Procurement Team have undertaken the Scottish Government Sustainable Procurement and Climate Change training.

Section 6 - Summary

The central Procurement Team and Corporate Services Directorate continue to support the procurement needs of the Councils departments. All requirements are carried out using best practice in accordance with the Council's Procurement Strategy, governance arrangements and Scottish Government guidance. The Council continues to engage with suppliers giving feedback in supporting continuous improvement.

APPENDIX 1**Extract from Shetland Islands Council's Contract Register**

REGULATED CONTRACTS AWARDED IN 2023/2024 including renewals					
Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Stock Condition Survey	The John Martin Partnership (Quantity Surveyors) Ltd	£67,700.00	06/04/2023	07/04/2023	07/09/2023
Supply and Delivery of Marine Grade Gas Oil Framework Agreement - Extension 2	Henty Oil Limited (WORLD FUEL SERVICES T/A HENTY OIL LIMITED)	£2,000,000.00	19/12/2023	01/02/2023	31/01/2024
Provision of Inter Island Air Service between Shetland Mainland/Fair Isle/Foula	Directflight Ltd t/a Airtask Group	£1,108,151.66	10/01/2024	01/04/2024	31/03/2028
Provision of Consultant Marine, Civil Engineering and Technical Services at Sullom Voe Harbour Area	NIRAS Group (UK) Ltd	£400,000.00	28/11/2023	04/12/2023	04/12/2027
Supply of 2 (two) Engine Room Propulsion Engines MV Fivla	H N P Engineers (Lerwick) Ltd	£167,574.15	22/03/2024	01/09/2024	31/12/2024
MV Fivla Replacement Gearboxes (Two)	Finnøy Gear & Propeller AS	£140,000.00	14/03/2024	01/09/2024	31/12/2024
Lerwick Lanes Area, Lerwick - Masterplan Consultancy Services	7N Architects (Randolph) Ltd	£38,802.00	06/11/2023	08/11/2023	29/03/2024
CCS Call off from RM6116 Network Services Lot 2 - Wide Area Connections for Nine School Sites	The Networking People (TNP) Ltd	£295,000.00	09/01/2024	02/04/2024	01/04/2026

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
SXL Call Off 0820-Engineering & Technical Consultation - Fair Isle Ferry Project - Full Business Case	Stantec UK Limited	£800,000.00	01/06/2023	01/06/2023	31/01/2024
Capita CallSecure Plus (Lite)	Capita	£61,750.00	03/05/2023	23/10/2023	08/01/2024
Residential Care April 2023	CrossReach	£83,000.00	23/05/2023	01/04/2023	29/04/2023
Residential Care May 2023	CrossReach	£83,000.00	23/05/2023	30/04/2023	31/05/2023
Provision of Adult Care Residential Services, Central Mainland, Shetland	CrossReach	£3,673,333.00	01/06/2023	01/06/2023	31/03/2025
Individual Service Agreement for Off-Island Placement in Supported Living	Cornerstone Community Care	£449,758.04	14/06/2023	14/06/2023	13/06/2025
Emergency Repairs to Vidlin Ferry Terminal	Ocean Kinetics Ltd	£162,000.00	06/07/2023	06/07/2023	06/09/2023
Provision of Enhanced Care at Home and Housing Support - Individual Service Agreement	Hayfield Limited	£79,318.08	25/07/2023	25/07/2023	24/07/2025
Individual Service Agreement for Off-Island Placement in Nursing Care Home	Balhousie Care Limited	£175,474.00	26/09/2023	26/09/2023	17/07/2028
Integra 2 to Centros Upgrade	Capita IBS / AdvancedAdvT	£118,000.00	23/10/2023	23/10/2023	08/01/2024
Operation of Inter-Island Ferry Service between Shetland Mainland and Foula	B K Marine Ltd	£1,540,800.00	03/04/2023	01/06/2024	31/03/2027

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Provision of Business Gateway Shetland Advisory Services (Framework Agreement) Lots 1-4 Multi-Supplier (Listed ED/08/22 a - p)	Multi-Supplier (as listed ED/08/22 a - p)	£300,000.00	12/10/2023	12/10/2023	30/09/2026
Provision of Business Gateway Shetland Advisory Services (Framework Agreement) Lot 1 One to one start up Advisory Services And Lot 2 One to one existing and growing business Advisory Services And Lot 3 One to many start up Advisory Services And Lot 4 One to many existing and growing business Advisory Services	Creative Consulting	See Above	12/10/2023	12/10/2023	30/09/2026
Provision of Business Gateway Shetland Advisory Services (Framework Agreement) Lot 1 One to one start up Advisory Services And Lot 2 One to one existing and growing business Advisory Services	Diana Abernethy Business Support	See Above	12/10/2023	12/10/2023	30/09/2026
Provision of Business Gateway Shetland Advisory Services (Framework Agreement) Lot 1 One to one start up Advisory Services And Lot 2 One to one existing and growing business Advisory Services	Jeffrey Gaskell	See Above	12/10/2023	12/10/2023	30/09/2026

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Provision of Business Gateway Shetland Advisory Services (Framework Agreement) Lot 1 One to one start up Advisory Services And Lot 2 One to one existing and growing Advisory Services And Lot 3 One to many start up Advisory Services And Lot 4 One to many existing and growing business Advisory Services	Tuminds Ltd	See Above	12/10/2023	12/10/2023	30/09/2026
Provision of Business Gateway Shetland Advisory Services (Framework Agreement) Lot 1 One to one start up Advisory Services and Lot 2 One to one Existing and growing business Advisory Services And Lot 3 One to many start up Advisory Services And Lot 4 One to many Existing and growing business Advisory Services	Campion Comms & Coaching	See Above	12/10/2023	12/10/2023	30/09/2026

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Call Off Provision of Dry Docking Facilities for Refit/Maintenance and Associated Services of Marine Vessels - Crane Replacement - Tystie	Dales Marine Services Ltd	£138,947.97	25/03/2024	03/06/2024	14/06/2024
Call Off Provision of Dry Docking Facilities for Refit/Maintenance and Associated Services of Marine Vessels - Crane Replacement - Dunter	Dales Marine Services Ltd	£138,947.97	25/03/2024	24/06/2024	05/07/2024
Supply, Install and Commission New Burner for Asphalt Plant, Scord Quarry, Shetland	Asphalt Burner Services Ltd	£92,500.00	12/10/2023	12/10/2023	11/03/2024

APPENDIX 2

FUTURE REGULATED PROCUREMENT SUMMARY 2024 TO 2025 (Note: includes non-regulated procurement activity)			
Contract Title/Description	Estimated Contract Value (at Award/Extension stage)	Estimated Start Date	Estimated Contract Duration
CCS Framework Agreement RM6259 VAR Call Off Lot 3 Planning Solutions - Idox Uniform and EDMS Package 32	£106,061.49	01/04/2024	4 years
Development and Maintenance of Shetland Islands Regional Marine Plan 2024/2025	£52,040.00	01/04/2024	1 year
Supply and Delivery of Fresh Fish to Shetland Islands Council (Multi-Supplier Agreement)	£544,000.00	01/08/2024	2 years
SXL Call Off 0820 -Engineering & Technical Consultation- Public Bus and School Transport Business Case	£157,157.53	18/06/2024	6 Months
Council Housing Energy Efficiency Measures 2024/2025 Year 2 - Extension	£435,201.30	01/04/2024	1 year
Electrical Testing and Ventilation Installations to Social Housing - Year 3 (2024/2025)	£208,236.50	13/06/2024	9 months
Provision of Independent Advocacy Services, Shetland	£192,624.00	01/07/2024	45 months
Rural Energy Hubs - Provision of Marketing Promotion and Communications Services	£64,000.00	09/10/2024	12 months
CCS Call off G-Cloud 13 Lot 2 iLearn Management System	£168,216.74	01/08/2024	3 Years

FUTURE REGULATED PROCUREMENT no Estimated Start Date	
Contract Title/Description	Estimated Contract Value (at Award/Extension stage)
Purchase Marine Vessel	£5,500,000.00
Fair Isle Infrastructure Work	£30,000,000.00
Provision of Adult Care Residential Services, Central Mainland, Shetland	£3,700,000.00
COPE	£302,000.00
Supply and Delivery of Marine Grade Gas Oil Framework Agreement - Extension 3	£2,000,000.00
Pilot and Mooring Boats Engines Overhaul	£2,000,000.00
Knab Site Redevelopment	£8,000,000.00
Housing Stock Maintenance and Refurbishment	£5,500,000.00
Grounds Maintenance Services	£1,000,000.00
Engineering Inspection Services	£350,000.00
Design and Build Old School Building	£5,700,000.00
Third Generation Synthetic Turf Pitch	£1,500,000.00
Facilities Management	£425,000.00