Contract Status and Spend Analysis

You should work with the **User Intelligence Group (UIG)** to review and understand the current contractual situation for the commodity/service to:

- determine if there will be any issues that requires a phase-in of a new contracts time e.g to ensure a seamless transition from an old contract to a new contract
- investigate whether early termination of existing contracts is both possible and desirable. Please note: you cannot terminate a contract with the aim of avoiding procurement rule obligations.

You should collate details of existing contract(s). This information could include:

- the product specification
- end users information
- any information which can be included in the analysis of key commodity/service characteristics as described in the next section.

You may wish to use the Current Contract Status Template to record this information.

You should work with your UIG to assess future demand for the commodity/service. The assessment would be based on team knowledge and expertise and information obtained from non-team members.

Spend Analysis

Open or close

A detailed understanding of the current spend and future requirements, of participating organisations, are key to the commodity/service strategy development.

An organisation should determine what resources are available for delivery of the service.

Financial planning is essential to ensure that service specifications are realistic. This ensures the specified requirements and outcomes are informed by the organisation’s analysis and benchmarking of costs. This means delivery will be within the available budget.

An organisation should consider what funding it can commit to the delivery of a service and for what period of time.

Care and Support Services

Open or close

For Care and Support Services in particular, consideration should be given to the anticipated size and shape of service contracts in light of the promotion of self-directed support and any growth in direct payments.

An organisation should assess whether the service has met specified key performance indicators and other contractual requirements previously. It should seek feedback from people who use services and their carers and review other information relating to the quality of the service, including information from contract management and service review and information from the regulatory bodies, including any complaints about the service.

It is important to consider the Specific Considerations for CSS Contracts**.**

The Hub

Open or close

To assist with spend analysis, many Scottish public sector organisations can access information on historical commodity/service spend via **The Hub**. The Hub contains many pre-defined reports and data that can be exported into MS Excel format.

The Hub can be used to identify possible transactional savings and collaborative opportunities.

Some suggested areas for analysis are:

- total expenditure and volume
- expenditure by commodity/service and sub-commodity/service
- expenditure by division or department or geography
- expenditure by supplier
- future demand projections where possible

- collaborative opportunities
- benchmarking
- profile of suppliers (large, SME etc.)

The Spend Analysis Example, generated using information from The Hub can be found in the additional documents section below.

The data in The Hub is not at line-item level . This means that detailed spend information will still need to be obtained from suppliers, or where available, from purchase order systems.

It is good practice to ensure suppliers are contractually required to provide line item spend details as part of the contract to support:

- benefits analysis
- contract and supplier management
- supplier development
- future procurement activities/renewals.

Existing Contracts

Open or close

In addition to Spend Analysis, an organisation should review existing delivery arrangements for a service with a view to:

- identifying if and how the service needs to change. This may be to meet individual needs and/or intended outcomes;
- consider a fresh application of any new laws or agreements as decided by applicable free trade agreements
- evaluate existing arrangements for delivering the service against best value principles.

Evaluating existing arrangements for delivering the service against best value principles will require an organisation to consider:

- whether the service is effective and of good quality;
- what it costs and whether it is cost-efficient;
- whether it promotes equal opportunities; and
- whether it contributes to sustainable development.

Contracts Register

Open or close

Organisations may access the Contracts Register for their organisation to assist in evaluating existing arrangements, including contract value.

The **Public Contracts Scotland (PCS)** Contracts Register module provides the facility for buying organisations to operate a private register of all contracts they have in place and a public register of these contracts to meet the obligations of **Section 35 of the Procurement Reform Act (Scotland) 2014**.

It is important to note that the contracts register will pull through the contract value from the contract award notice. You should always be as open and transparent as possible when completing this field. This field can be manually amended but please be aware that all relevant amendments have to be manually duplicated in The Hub as there is no integration between the two systems for manual amendments.

Regulation 51(6) allows a contracting authority to withhold publication of information in the contract award or the conclusion of the framework agreement. This is where the release of the information:

(a) would affect law enforcement or go against the public interest;

(b) would prejudice the commercial interests of any person;

(c) might prejudice fair competition between economic operators.

relying on (b) above you would need to be able to show the commercial interests of the company concerned would definitely be prejudiced by the release of this information.

Be aware that even if you withhold the contract value from a contract award notice, this does not exempt the information being subsequently disclosed under the **Freedom Of Information (Scotland) Act 2002 (FOISA)**. FOISA thresholds are higher i.e. - to withhold under FOISA, the information would have to, or be likely to cause substantial prejudice. Also the public interest in withholding the information would have to outweigh the public interest in its release.

Detailed contracts register user guidance can be found in **PCS**.

PLEASE NOTE: if you do not use PCS for producing a contract register, you still must produce a publicly available one.

Any documents you need are listed below

Current Contract Status Spend

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Flowchart

(file type: docx)

Specific Considerations and Rules for CSS Contracts

(file type: docx)

Spend Analysis Example

(file type: docx)