



ANNUAL PROCUREMENT REPORT 2024/2025

INDEX

	PAGE
Introduction	3
Section 1 Summary of Regulated Procurements	3
Section 2 Review of Regulated Procurement compliance	4
Section 3 Supported Businesses and Regulated Procurements	6
Section 4 Future Regulated Procurement Summary	6
Section 5 Shetland Islands Council Update	6
Section 6 Summary	7
APPENDIX 1 Contracts Awarded from April 2024 to March 2025	8-11
APPENDIX 2 Future Regulated Procurement Summary (2025 to 2026)	12-14

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 3.7 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 36 Regulated Contracts were awarded in the period from 01 April 2024 to 31 March 2025. Supporting information relating to those and all other awards administered by or notified to the central procurement team are detailed in Appendix 1 - Regulated Contracts Awarded in 2024/2025. Table 1 provides a summary of that information.

Table 1 - Summary of Regulated Contracts awarded from April 2024 to March 2025

Contract Period	Number	Estimated Total Value (£)
01 April 2024 to 31 March 2025	36	£50,758,872.65

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.

Procurement Process Overview

Procurement activity within the Local Authority is conducted in accordance with the **Procurement Reform (Scotland) Act 2014**, the **Public Contracts (Scotland) Regulations 2015**, and associated statutory guidance. Our approach ensures transparency, fairness, and value for money while supporting local economic development and sustainable outcomes.

Contract Advertising and Access to Opportunities

All regulated procurements are advertised through:

- **Public Contracts Scotland (PCS)** – the national advertising portal for public sector opportunities in Scotland.
- **Find a Tender Service (FTS)** – for contracts exceeding UK thresholds, in compliance with post-Brexit procurement rules.

This ensures open access to opportunities for suppliers of all sizes and supports early market engagement.

Procurement Procedures Used

Procurement routes are selected based on contract value, complexity, and risk:

- **Quick Quote** – used for lower-value procurements (typically under £50,000), inviting a minimum of three suppliers via PCS.
- **Open and Restricted Procedures** – used for higher-value or complex procurements, ensuring compliance with legal thresholds.
- **Framework Agreements** – where appropriate, we utilise national and collaborative frameworks (e.g., Scotland Excel, Crown Commercial Service) to deliver efficiencies and reduce duplication.

Ensuring Compliance with Minimum Requirements

To ensure suppliers meet our standards, we apply:

- **Mandatory and Discretionary Exclusion Criteria** – to assess legal compliance and ethical conduct.
- **Selection Criteria** – including financial standing, technical capability, and relevant experience.
- **Specification Requirements** – clearly defined outputs, standards, and sustainability expectations.
- **Fair Work First** – including consideration of Real Living Wage and inclusive employment practices.

All criteria are proportionate and relevant to the subject matter of the contract.

Evaluation and Contract Award

Contracts are awarded based on the **Most Economically Advantageous Tender (MEAT)**, balancing cost and quality. Evaluation panels follow a structured, auditable process. Criteria and weightings are published in advance to ensure transparency.

Contract and Supplier Management

Post-award, contracts are actively managed to ensure delivery of outcomes, value for money, and continuous improvement. This includes:

- Monitoring of key performance indicators (KPIs)
- Regular supplier engagement
- Risk and compliance checks
- Delivery of community benefits and sustainability commitments

Procurement Strategy

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.

Community Benefit - One regulated contract exceeded an estimated value of £4,000,000 during this period, this contract included Community Benefits (Fair Isle and Grutness Ferry Terminal Redevelopment) it included:

Targeted Recruitment & Employment (TRE)

- 1 no. New Employee Full Time Job (Not supported)
- 1 no. New Employee Part Time Job (Supported)

Training and Skills Development (TST)

- 1 no. S/NVQ's or equivalent for Existing Employees
- 1 no. S/NVQ's or equivalent for Sub-contract staff
- 1 no. Structured period of work experience for a pupil(s), student(s), trainee(s) or supported person
- 2 no. Industry awareness days or workshops
- 1 no. Structured career event for school or college students
- 1 no. Workplace visit for school or college students

Supply Chain Development (SCD)

- 1 no. Supply Chain Market Engagement
- 1 no. Supply Chain Business Mentoring

Section 3 - Supported Businesses and Commissioned Services

The Council reserves 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 works 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 Supported Businesses for the reporting period was £363,552.30 ex VAT. The estimated value of expenditure with businesses engaged to provide Commissioned Services was approximately £1,013,932.00 ex VAT.

Section 4 – Future Regulated Procurement Summary

The Council's anticipated regulated procurement summary for the next financial year is at Appendix 2 this includes information on estimated contract values and start dates for that period.

Section 5 – Shetland Islands Council Update

Supplier Development – The central procurement team continue to encourage and help businesses to register on and use Public Contracts Scotland.

Staff Development – The Procurement Team have been promoting Procurement Training for Council Employees. The courses have ranged for the Introduction to Procurement to training on Fraud, Bribery, and Corruption.

Section 6 - Summary

The central Procurement Team and Corporate Services Directorate continue to support the procurement needs of the Council's 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 2024/2025					
Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Provision of Marine Electrical and Mechanical Services - Extension	DH Marine (Shetland) Ltd	£250,000.00	28/03/2025	01/05/2025	30/04/2026
Provision of Residential Care Services - Walter and Joan Gray Care Home - Notice of Extension	CrossReach	£700,000.00	27/03/2025	01/04/2025	31/03/2026
Time Charter Tug Hire at Port of Sullom Voe, Shetland Islands, Planned	Targe Towing Ltd	£406,000.00	14/03/2025	27/03/2025	18/05/2025
SXL Call Off from FW 0820 Lot 9 for NEC Project Management and Site Supervision Fair Isle	Mott MacDonald Ltd	£860,000.00	14/03/2025	14/03/2025	28/02/2028
Re-Roofing Works - Tripwell, Whalsay	Shetland Construction & Developments Limited	£555,555.55	10/03/2025	28/04/2025	02/01/2026
Fair Isle and Grutness Infrastructure Works	BAM Nuttall Ltd	£31,496,940.24	27/02/2025	28/02/2025	31/01/2027
Knab Redevelopment Core Site Infrastructure Works - Lerwick	Tulloch Developments Ltd	£3,999,112.60	21/02/2025	14/04/2025	07/09/2026
Refurbishment Works - 12 Houses - Harlsdale, Whalsay	Shetland Construction & Developments Ltd	£3,327,232.32	13/02/2025	14/04/2025	14/10/2026
STCW Manila Refresher Training for the Council's seafaring staff	Stream Marine Training Ltd	£60,715.00	07/02/2025	01/03/2025	31/03/2027
Geira Port and Stb Gearbox Refurbishment	Brunvoll Volda AS	£217,035.50	07/02/2025	20/10/2025	22/12/2025
Internal Audit Services – Extension	Glasgow City Council	£214,920.00	30/01/2025	01/08/2025	31/07/2027

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Port of Sullom Voe Marine Infrastructure Maintenance Contract - Extension	Malakoff Limited	£818,596.98	28/01/2025	01/06/2025	31/05/2027
Brae District Heating Scheme - Feasibility Study and Concept Design	COWI UK Limited	£109,949.00	22/01/2025	03/02/2025	01/08/2025
Dunter Emergency Incident Permanent Bow Repair 2025	Dales Marine Services Ltd	£137,000.00	10/01/2025	10/01/2025	28/01/2025
Supply and Delivery of Marine Grade Gas Oil Framework Agreement - Final Extension 3	Henty Oils Ltd (WORLD FUEL SERVICES)	£2,000,000.00	06/01/2025	01/02/2025	31/01/2025
Eshanness and Scousburgh remote sites private data connections	British Telecom plc	£72,684.93	19/12/2024	01/01/2025	31/12/2029
Weather Forecasting Services for Port and Harbours	StormGeo	£71,480.00	16/12/2024	01/01/2025	31/12/2028
Rural Energy Hubs - Provision of Marketing Promotion and Communications Services	NB Communication Ltd	£64,000.00	09/10/2024	09/10/2024	31/10/2025
Scottish Government Framework (SP-21-034) – Veeam Data Cloud for Microsoft 365 Software Value added Reseller Services	Computacentre UK Ltd	£508,107.27	09/09/2024	01/08/2024	31/07/2027
Scottish Government Call Off SVAR Framework (SP-21-034) – Veeam Data Cloud for Microsoft 365	Computacentre UK Ltd	£1,016,214.54	09/09/2024	18/03/2024	17/03/2026
CCS Call Off Framework RM6098 Lot 1&2 SC5020 - SAN Replacement Project	Ultima Business Solutions	£62,133.14	23/08/2024	23/08/2024	31/12/2024
CCS Call off G-Cloud 13 Lot 2 iLearn Management System	PeopleFluent Ltd	£168,216.74	12/08/2024	01/08/2024	31/07/2027

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
Supply and Delivery of Fresh Fish to Shetland Islands Council (Multi-Supplier Framework Agreement)	Island Fish (Shetland) Ltd	£544,000.00	31/07/2024	01/08/2024	31/07/2026
Supply and Delivery of Fresh Fish to Shetland Islands Council (Multi-Supplier Framework Agreement)	QA Fish Ltd	£544,000.00	31/07/2024	01/08/2024	31/07/2026
Provision of Marine Electrical and Mechanical Services - Extension	DH Marine (Shetland) Ltd	£250,000.00	04/07/2024	01/05/2024	30/04/2025
SXL Call Off 0820 - Engineering and Technical Consultancy - Lot 2 - Transportation and Traffic Services - Inter Island Transport Connectivity Programme Consultancy Services	Stantec UK Limited	£457,500.00	20/06/2024	21/06/2024	21/12/2025
SXL Call Off 0820 -Engineering & Technical Consultation- Public Bus and School Transport Business Case	Stantec UK Limited	£157,157.53	13/06/2024	18/06/2024	31/12/2024
Electrical Testing and Ventilation Installations to Social Housing - Year 3 (2024/2025)	Westside Electrical Services Ltd	£208,236.50	12/06/2024	13/06/2024	31/03/2025
Provision of Independent Advocacy Services, Shetland	VoiceAbility Advocacy	£192,624.00	04/06/2024	01/07/2024	31/03/2028
Time Charter Tug Hire	Boluda Towage Caledonian Ltd	£287,750.00	28/05/2024	28/05/2024	08/07/2024
Council Housing Energy Efficiency Measures 2024/2025 Year 2 - Extension	Shetland Heatwise Ltd	£435,201.30	16/05/2024	01/04/2024	31/03/2025
Advocacy and participation services for care experienced children	Who Cares? Scotland	£121,308.00	09/05/2024	01/04/2024	31/03/2028

Contract Name	Supplier Name	Estimated Contract Value (at Award/Extension stage)	Date of Award	Start Date	End Date
CCS Framework Agreement RM1557.13 G-Cloud Call Off Lot 2 Cloud Software	Odyssey Interactive Ltd	£231,840.00	08/05/2024	08/05/2024	07/05/2026
CCS Framework Agreement RM6259 VAR Call Off Lot 3 Planning Solitions - Idox Uniform and EDMS Package 32	Idox Software Ltd	£106,061.49	19/04/2024	01/04/2024	31/03/2028
Development and Maintenance of Shetland Islands Regional Marine Plan 2024/2025	Shetland UHI	£52,040.00	16/04/2024	01/04/2024	31/03/2025
Replacement Weighbridge for Gremista Waste Management Facility	Avery Weigh-Tronix	£55,260.02	05/04/2024	01/06/2024	30/06/2024

APPENDIX 2

FUTURE REGULATED PROCUREMENT SUMMARY 2025 to 2026			
Contract Title/Description	Estimated Contract Value (at Award/Extension stage)	Estimated Start Date	Estimated Contract Duration
Three Islands Councils Co-Working	£58,500.00	01/04/2025	13 Months
Development and Maintenance of Shetland Islands Regional Marine Plan 2025/26	£54,643.00	01/04/2025	1 year
Janet Courtney Hostel Refurbishment - Architectural Services and Principal Designer	£400,000.00	01/04/2025	3 Years
Grounds Maintenance Services - Contract B - Central Mainland	£115,656.10	07/04/2025	4 years
Care and Child Care Qualifications Multi Supplier Framework Agreement	£775,000.00	14/04/2025	2 Years
Harlsdale Refurbishment - Clerk of Works	£59,375.00	16/04/2025	18 months
CCS RM6244 Call Off Lots 3 & 10 - Library Van	£148,220.00	28/04/2025	4 Months
CCS Call Off RM 1557.14 Lot 2 Cloud Software - ITSM Software ICT Service Desk	£132,200.00	16/05/2025	3 Years
SP-21-034 Call Off SVAR Framework -VMware License Renewal	£78,161.76	23/05/2025	3 Years
Fair Isle Passenger Vessel	£5,646,700.00	04/06/2025	2 Years
Vessel-Detailed Design of 2 Vessels-Call Off from ED/02/23 Naval Architect	£150,000.00	14/06/2025	1 Year
CCS Call off RM6259 Lot 3 Housing, Environment and Planning Solutions for Geospatial System (GIS)	£101,654.00	23/06/2025	3 Years
B9082 Gutcher to Cullivoe Road Improvement, Yell	£8,915,948.52	01/07/2025	2 Years
Anderson High School Halls of Residence, Lerwick - Hard Facilities Management Services	£337,535.40	01/07/2025	3 years
Call Off No PoNACS-No0005 from Naval Architecture ED/2/23 - Oversight of Design and Construction of 24m Workboat/Ferry	£125,000.00	02/07/2025	3 Years
Call Off CCS Framework RM6259 Lot 2 Social Care Case Management (Replacement of SWIFT)	£1,754,304.15	18/07/2025	5 Years
Call off from CoEC CT2675 Lot 13 for IITC Fixed Link Model Development	£691,480.00	18/08/2025	7 Months

FUTURE REGULATED PROCUREMENT SUMMARY 2025 to 2026 no Estimated Start Date	
Contract Title	Estimated
COPE Skills Development, Volunteering Opportunities	£605,200.00
Pension System - Pensions Dashboard, Cloud migration, data cleansing and additional system functionality.	£834,340.00
Re-Pointing and Roofing Remedial Works to 5 Properties - Lerwick - Contract 1 - Ronald Street, Lerwick	£150,000.00
Re-Pointing and Roofing Remedial Works - Lerwick - Contract 2 - Union Street, Lerwick and St Olaf Street, Lerwick	£110,000.00
Planned and Cyclical Maintenance Programme - Mechanical Services - Extension	£340,088.00
Planned and Cyclical Maintenance Programme - Patient Handling Services - Extension	£204,772.00
Planned and Cyclical Maintenance Programme - Lift Maintenance Services - Extension	£167,620.00
Planned and Cyclical Maintenance Programme - Heating, Ventilation and Air Conditioning Services - Extension	£142,055.14
Planned and Cyclical Maintenance Programme - Fire Extinguishing Maintenance and Servicing - Extension	£75,134.52
Planned and Cyclical Maintenance Programme - Electrical Services (Rural Care Homes) - Extension	£63,970.00
Plumbing Supplies Framework 2025	£50,000.00
Waste to Energy Recovery Plant, Lerwick - Cladding and Flashing Refurbishment West, East and South Gable	£250,000.00
Collafirth Pier Cathodic Protection Works	£300,000.00
Out Skerries Ferry Terminal - Pier Undermining Repairs	£75,000.00
Electrical Testing and Ventilation Installations to Social Housing - Year 4 (2025/2026) - Extension	£115,070.00
Call Off from CoEC CT2675- Fair Isle Ferry Replacement Project – Monitoring and Evaluation Plan	£75,000.00
Call Off from CoEC CT2675 Lot 13- Active Travel Transitional Arrangements	£50,000.00
Maintenance and Provision of Roadside Vehicle Safety Barriers and Cattle Grids - Extension	£1,287,750.66
Provision of Road Markings and Reflective Road Studs - Extension	£315,595.95
Maintenance of Traffic Signs and Miscellaneous Street Furnishings - Extension	£273,794.02
SP-22-005 Call Off - Vodafone Voice and Data	£80,000.00

FUTURE REGULATED PROCUREMENT SUMMARY 2025 to 2026 no Estimated Start Date	
Contract Title	Estimated
Provision of Passenger Transport Services 2026 Multi-Supplier Framework Agreement	£77,000,000.00
Call off from CoEC CT2675 Lot 13 for IITC Fixed Link Model Development	£695,000.00
Gremista Landfill - Phase 3 Construction	£6,500,000.00
Supply and Delivery of Marine Grade Gas Oil	£10,000,000.00
Dry Docking Facilities for Refit/Maintenance and Associated Services of Marine Vessels - Multi-Supplier FW Agreement Ext	£500,000.00
Provision of a Financial Health Advice Service and Fuel Poverty Advice Service 2026 - 2030	£472,000.00
Supply of 2 New Hydraulic Rams for Type 2 Ramp Spares	£109,808.50