

## Scotland Excel Executive Sub Committee

**To:** Executive Sub Committee

**On:** 6<sup>th</sup> March 2015

### Report by Director

**Tender:** Presentation & Audio Visual Equipment

**Schedule:** 12/14

**Period:** 1 April 2015 to 31 March 2018, with an option to extend for up to one year until 31 March 2019

#### 1. Introduction and Background

The current framework for the supply, delivery, installation, commissioning & maintenance of a range of presentation and audio visual equipment expires on 31 March 2015. Following User Intelligence Group (UIG) discussions and based on the high level of satisfaction with the current framework, it was agreed that a second generation framework should be established. The new framework will operate from 1 April 2015 until 31 March 2018 with the option to extend for up to one year until 31 March 2019.

The framework will incorporate a wide range of solution based packages for interactive white boards, interactive touch screen display units, interactive projectors, LCD & LED projectors and televisions. Installation and reactive maintenance for those products out with warranty will also feature in this framework. Customers will have a single source option for supply, installation and maintenance thereby increasing efficiency for customers.

It is anticipated the main users of this framework will be from education services, however the framework will be available to all other council departments and Scotland Excel associate members.

## 2. Scope, Participation and Spend

As part of the strategy development for this framework a core product review was conducted against the current framework. Following a detailed review of management information and having considered the supply landscape, the lotting structure was revised to align with council requirements.

The framework now consists of a single lot incorporating interactive white boards featuring various technologies, interactive touch screen display units, interactive and multimedia projectors and televisions. Each product type is offered in a range of models and sizes to suit different requirements and environments. In total 37 products are available along with warranty, installation, commissioning and reactive maintenance.

As detailed in Appendix 1, 32 councils and Tayside Contracts have confirmed their intention to participate in this framework from the outset. National Services Scotland (NHS) and the Scottish Parliament have also cited their intention to participate in the framework and this was stated in the contract notice.

Based on the historic spend of councils and associate members, the framework has a forecast spend of circa £5-6 million per annum which would allow for expenditure on innovative technology or potential spend through the NHS, Scottish Parliament and council office rationalisation projects.

## 3. Procurement Process

A User Intelligence Group (UIG) consisting of procurement and technical representatives from the participating councils was established to develop a procurement strategy to best meet user requirements.

To ensure that the framework was awarded to the most capable suppliers, the UIG agreed that a 2 stage tendering process should be used. At the first stage, bidders were assessed on financial capability, technical/professional capability and business probity. Bidders were required to pass this stage in order for their offer to be evaluated. At the second stage of the process, the offers were evaluated against the following criteria and weightings:

|            |     |
|------------|-----|
| Technical  | 15% |
| Commercial | 85% |

Bidders were invited to offer fixed pricing for 12 months for core items as well as a fixed percentage discounts against their catalogue list price. Bidders also confirmed

which councils they were prepared to service. The tender explained that bidders must tender for a minimum of 80% of all products. In the event that an offer was received with less than 80% of the items priced, Scotland Excel reserved the right not to consider the offer.

The framework was advertised in the Official Journal of the European Union and the Public Contracts Scotland portal on the 18 November 2014. The tender process was conducted using the Public Contracts Scotland tender (PCS-Tender) system.

#### **4. Report on Offers Received**

44 suppliers expressed interest in the framework and 13 suppliers (as detailed in Appendix 2) responded.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the remaining offers received was completed. Appendix 3 of this report sets out the scoring achieved by each tenderer and the recommendations agreed by UIG.

GV Multi Media Ltd submitted no pricing, therefore their offer was not considered.

#### **5. Recommendations**

Under EU procurement legislation a framework arrangement can be concluded with a single supplier. If the agreement is concluded with several suppliers, the minimum number of suppliers must be three (provided there is sufficient numbers of suppliers satisfying the selection criteria and tenders meeting the award criteria).

Based on the evaluations carried out in line with the criteria and weightings set out above, it is recommended that the framework be awarded to a total of four suppliers as detailed in Appendix 3.

#### **6. Benefits**

##### **Savings**

A price comparison exercise has been carried out against authorities existing Scotland Excel contractual rates. The results are set out in **Appendix 1**.

Overall cost savings from the current baseline show an average 7% saving, assuming that councils choose the lowest priced supplier which equates to an annual saving of

£294,413. In order to calculate a percentage cost saving, the lowest price solution offered was compared to the lowest priced supplier on the previous Scotland Excel framework. The percentage figure was applied to each councils annual spend on presentation and audio visual equipment. Where councils have been unable to provide spend data the figures are based on an average of the previous 3 years management information or an agreed baseline figure for illustrative purposes.

In addition some suppliers have offered early settlement discounts of up to 1.5% where payment can be achieved within 15 days from date of invoice and there is an opportunity for customers to derive a retrospective rebate of up to 1.5% where the council utilises a supplier for 75% or more of their business. This will be discussed and agreed with councils during the framework mobilisation period.

### **Price Stability**

It is a condition of the framework that all suppliers will maintain stable prices for one year from the commencement of the framework on core range products. Where products change through innovation or obsolescence Scotland Excel will manage the suppliers to ensure continuity of guaranteed maximum price. Additionally suppliers will maintain fixed percentage discounts against manufacturers RRP for the duration of the contract for all non core products.

### **Delivery**

All recommended suppliers will provide carriage, off-loading and carrying to final locations across all of Scotland, including the islands.

### **Warranty Periods**

Warranty periods vary in duration and extent of cover depending on the manufacturer and the commodity.

The framework required minimum manufacturer warranty durations ranging from 2 year onsite warranty for televisions to 3 year for interactive whiteboards and projectors. Although the framework stipulated that any installation work would be covered by a 1 year period AVM Impact Ltd, Irruptus Limited (t/a Efficient Infrastructure Solutions) and SSUK Ltd have offered an additional 3 year warranty on their installation work while TCIB Installations has offered an additional 4 year warranty.

### **Reactive Maintenance**

The inclusion of reactive maintenance into the current framework has proved to be a valuable and well used service. Customers will continue to have single source options for supply and maintenance thereby reducing downtime of equipment.

### **Community Benefits**

Tenderers were invited to commit to specific community benefits through the framework. This was embraced by many of the suppliers and a wide range of benefits were offered across the supply base. Some of the potential benefits offered include

work experience and apprenticeships, training for long term unemployed, support and sponsorship of local community projects and charities

Suppliers will be required as part of their quarterly management information submissions to provide information on any community benefits that they have delivered through this framework.

### **Sustainability**

The following elements were included within the tender documentation to ensure that sustainability was considered in the evaluation process:

Suppliers were required to confirm that they have an Environmental Policy. Vehicle emissions with regards to the transportation and delivery of were assessed. Suppliers were also assessed with regards to recycling and re-use initiatives including packaging.

Furthermore all items supplied against this framework are classified as being energy efficient. Products will be supplied on the basis that the manufacturers of comply with all aspects of the WEEE & ROHS directives.

Within the tender, Scotland Excel has endeavoured to include the living wage and all recommended suppliers will comply with this within 12 months of the framework commencement date.

## **7. Contract Mobilisation and Management**

In accordance with Scotland Excel's established Contract Supplier Management (CSM) programme, in terms of risk and spend, this framework is classified as level 2. As such, on a quarterly basis Scotland Excel will collect, analyse and review detailed supplier management information and will monitor the community benefits associated with this framework.

Standard management information will be collated in accordance with that described in the tender documentation. Achievement of key performance indicators as provided in the tender will be finalised and agreed at contract award. These will be a driver to ensure that the required service is monitored, maintained and where possible improved during the framework period. This data will form the foundation of ongoing contract and supplier management.

Any requests for price increases will be considered in accordance with the defined Scotland Excel process and evaluated against a range of market analysis indices.

## **8. Summary**

This framework aims to provide contract users with access to the best value supplier for presentation and audio visual equipment including reactive maintenance.

Although this is a second generation framework, positive efficiencies have still been achieved through close working relationships with an already existing UIG, and ensuring a tender that incorporated a more accurate core product list that better reflects purchasing patterns.

Scotland Excel envisage that there will be a seamless transition between the existing and new framework, as currently all 32 councils actively procure presentation and audio visual equipment through 3 of the 4 suppliers being recommended for the new framework.

The Executive Sub Committee is requested to approve the recommendations to award agreements to the suppliers as detailed in Appendix 3.

## Appendix 1 – Participation, Spend and Savings Summary Presentation & Audio Visual Equipment 12-14

| Member Name                 | Participation in Contract | Participation Entry Date | Estimated Annual Spend (£) | Source of Spend Data              | % Estimated Forecast Savings | Estimated Annual Savings (£) | Basis of Savings Calculation           |
|-----------------------------|---------------------------|--------------------------|----------------------------|-----------------------------------|------------------------------|------------------------------|--|
| Aberdeen City Council       | Yes                       | 01 April 2015            | £88,200                    | Contract MI - Confirmed by Member | 7.0%                         | £6,174                       | Benchmarked Using Current Market Rates |
| Aberdeenshire Council       | Yes                       | 01 April 2015            | £59,500                    | Contract MI - Confirmed by Member | 7.0%                         | £4,165                       | Benchmarked Using Current Market Rates |
| Angus Council               | Yes                       | 01 April 2015            | £25,000                    | Contract MI - Confirmed by Member | 7.0%                         | £1,750                       | Benchmarked Using Current Market Rates |
| Argyll & Bute Council       | Yes                       | 01 April 2015            | £21,500                    | Contract MI - Confirmed by Member | 7.0%                         | £1,505                       | Benchmarked Using Current Market Rates |
| City of Edinburgh Council   | Yes                       | 01 April 2015            | £21,300                    | Contract MI - Confirmed by Member | 7.0%                         | £1,491                       | Benchmarked Using Current Market Rates |
| Clackmannanshire Council    | Yes                       | 01 April 2015            | £40,000                    | Contract MI - Confirmed by Member | 7.0%                         | £2,800                       | Benchmarked Using Current Market Rates |
| Comhairle nan Eilean Siar   | Yes                       | 01 April 2015            | £265,900                   | Contract MI - Confirmed by Member | 7.0%                         | £18,613                      | Benchmarked Using Current Market Rates |
| Dumfries & Galloway Council | Yes                       | 01 April 2015            | £50,000                    | Contract MI - Confirmed by Member | 7.0%                         | £3,500                       | Benchmarked Using Current Market Rates |
| Dundee City Council         | Yes                       | 01 April 2015            | £150,000                   | Contract MI - Confirmed by Member | 7.0%                         | £10,500                      | Benchmarked Using Current Market Rates |
| East Ayrshire Council       | Yes                       | 01 April 2015            | £13,800                    | Contract MI - Confirmed by Member | 7.0%                         | £966                         | Benchmarked Using Current Market Rates |
| East Dunbartonshire Council | Yes                       | 01 April 2015            | £65,000                    | Contract MI - Confirmed by Member | 7.0%                         | £4,550                       | Benchmarked Using Current Market Rates |
| East Lothian Council        | Yes                       | 01 April 2015            | £146,800                   | Contract MI - Confirmed by Member | 7.0%                         | £10,276                      | Benchmarked Using Current Market Rates |
| East Renfrewshire Council   | Yes                       | 01 April 2015            | £500,000                   | Contract MI - Confirmed by Member | 7.0%                         | £35,000                      | Benchmarked Using Current Market Rates |
| Falkirk Council             | Yes                       | 01 April 2015            | £100,000                   | Contract MI - Confirmed by Member | 7.0%                         | £7,000                       | Benchmarked Using Current Market Rates |
| Fife Council                | Yes                       | 01 April 2015            | £542,100                   | Contract MI - Confirmed by Member | 7.0%                         | £37,947                      | Benchmarked Using Current Market Rates |
| Glasgow City Council        | Yes                       | 01 April 2015            | £402,150                   | Contract MI - Confirmed by Member | 7.0%                         | £28,151                      | Benchmarked Using Current Market Rates |
| Highland Council            | Yes                       | 01 April 2015            | £25,600                    | Contract MI - Confirmed by Member | 7.0%                         | £1,792                       | Benchmarked Using Current Market Rates |
| Inverclyde Council          | Yes                       | 01 April 2015            | £113,500                   | Contract MI - Confirmed by Member | 7.0%                         | £7,945                       | Benchmarked Using Current Market Rates |
| Midlothian Council          | Yes                       | 01 April 2015            | £102,000                   | Contract MI - Confirmed by Member | 7.0%                         | £7,140                       | Benchmarked Using Current Market Rates |
| North Ayrshire Council      | Yes                       | 01 April 2015            | £125,000                   | Contract MI - Confirmed by Member | 7.0%                         | £8,750                       | Benchmarked Using Current Market Rates |
| North Lanarkshire Council   | Yes                       | 01 April 2015            | £85,000                    | Contract MI - Confirmed by Member | 7.0%                         | £5,950                       | Benchmarked Using Current Market Rates |
| Orkney Islands Council      | Yes                       | 01 April 2015            | £500,000                   | Contract MI - Confirmed by Member | 7.0%                         | £35,000                      | Benchmarked Using Current Market Rates |
| Perth & Kinross Council     | Yes                       | 01 April 2015            | £5,000                     | Contract MI - Confirmed by Member | 7.0%                         | £350                         | Benchmarked Using Current Market Rates |
| Renfrewshire Council        | Yes                       | 01 April 2015            | £30,000                    | Contract MI - Confirmed by Member | 7.0%                         | £2,100                       | Benchmarked Using Current Market Rates |
| Scottish Borders Council    | Yes                       | 01 April 2015            | £250,000                   | Contract MI - Confirmed by Member | 7.0%                         | £17,500                      | Benchmarked Using Current Market Rates |
| Shetland Islands Council    | Yes                       | 01 April 2015            | £77,350                    | Contract MI - Confirmed by Member | 7.0%                         | £5,415                       | Benchmarked Using Current Market Rates |
| South Ayrshire Council      | Yes                       | 01 April 2015            | £10,000                    | Contract MI - Confirmed by Member | 7.0%                         | £700                         | Benchmarked Using Current Market Rates |
| South Lanarkshire Council   | Yes                       | 01 April 2015            | £72,200                    | Contract MI - Confirmed by Member | 7.0%                         | £5,054                       | Benchmarked Using Current Market Rates |
| Stirling Council            | Yes                       | 01 April 2015            | £100,000                   | Contract MI - Confirmed by Member | 7.0%                         | £7,000                       | Benchmarked Using Current Market Rates |
| The Moray Council           | Yes                       | 01 April 2015            | £37,000                    | Contract MI - Confirmed by Member | 7.0%                         | £2,590                       | Benchmarked Using Current Market Rates |
| West Dunbartonshire Council | Yes                       | 01 April 2015            | £15,000                    | Contract MI - Confirmed by Member | 7.0%                         | £1,050                       | Benchmarked Using Current Market Rates |
| West Lothian Council        | Yes                       | 01 April 2015            | £150,000                   | Contract MI - Confirmed by Member | 7.0%                         | £10,500                      | Benchmarked Using Current Market Rates |
| Tayside Contracts           | Yes                       | 01 April 2015            | £2,000                     | Contract MI - Confirmed by Member | 7.0%                         | £140                         | Benchmarked Using Current Market Rates |
| Scottish Parliament         | Yes                       | 01 April 2015            | £10,000                    | Contract MI - Confirmed by Member | 7.0%                         | £700                         | Benchmarked Using Current Market Rates |
| NHS                         | Yes                       | 01 April 2015            | £5,000                     | Contract MI - Confirmed by Member | 7.0%                         | £350                         | Benchmarked Using Current Market Rates |
| <b>Totals</b>               |                           |                          | <b>£4,205,900.00</b>       |                                   |                              | <b>£294,413.00</b>           |  |

| <b>Name of Company</b>                                     | <b>SME Status</b> | <b>City / County</b>   |
|--|-------------------|------------------------|
| ACI Integrated Solutions Ltd                               | Small             | Glasgow                |
| Airwave Europe Ltd   | Small             | Billingshurst          |
| AVM Impact Ltd*  | Large             | Sunbury –on-<br>Thames |
| Cameron Communications Ltd                                 | Small             | Glasgow                |
| Capita IT Services Limited                                 | Large             | Glasgow                |
| Irruptus Limited (t/a Efficient Infrastructure Solutions)* | Small             | Glasgow                |
| FES Support Services Ltd                                   | Large             | Stirling               |
| GV Multi Media Ltd   | Medium            | Lutterworth            |
| Insight Direct (UK) Ltd                                    | Large             | Edinburgh              |
| Mediascape Ltd   | Small             | Glasgow                |
| Pacific Computers  | Small             | Basingstoke            |
| SSUK Ltd*  | Small             | Glasgow                |
| TCIB Installations*  | Small             | Wishaw                 |

\*Recommended for award

**Presentation & Audio Visual Equipment 12-14**  
**Scoring and Recommendations**

**Appendix 3**

| <b>Tenderer</b>  | <b>Score</b> |
|--|--------------|
| AVM Impact Ltd*  | 94.84        |
| SSUK Ltd*  | 90.49        |
| TCIB Installations*  | 89.63        |
| Irruptus Limited (t/a Efficient Infrastructure Solutions)* | 88.29        |
| ACI Integrated Solutions Ltd                               | 78.33        |
| Cameron Communications Ltd                                 | 78.29        |
| Capita IT Services Limited                                 | 75.93        |
| Mediascape Ltd   | 72.61        |
| Insight Direct (UK) Ltd                                    | 71.92        |
| Airwave Europe Ltd   | 58.15        |
| Pacific Computers  | 54.00        |
| FES Support Services Ltd                                   | 50.21        |

\*Recommended for award

NB: GV Multi Media Ltd submitted no financial information therefore their offer was not considered.