

Scotland Excel

To: Executive Sub-Committee

On: 19 April 2024

**Report by:
Chief Executive of Scotland Excel**

Tender: Supply and Distribution of Fresh Fruit & Vegetables

Schedule: 0823

Period: 48 months

1. Introduction and Background

This recommendation is for the award of the second-generation renewal framework for the Supply and Distribution of Fresh Fruit & Vegetables.

This framework will provide councils with a mechanism to procure a range of fresh fruit and vegetable products including but not limited to, fresh apples, bananas, grapes, pears, strawberries, carrots, turnip, cabbage, corn and other associated products.

The framework will be for a period of up to 48 months, Subject to approval, the framework is intended to commence on or around June 2024.

This report summarises the outcome of the procurement process for this national framework agreement and presents recommendations for award.

2. Scope, Participation and Spend

The current tender has been simplified and streamlined, with the previous 2 lots incorporated into a single requirement in order to offer best value to Councils. This was approved as part of the strategy development and through consultation with the User Intelligence Groups (UIG).

As detailed in Appendix 1, 17 councils plus Tayside Contracts confirmed their intention to participate in this framework, with all councils being named on the advertised contract notice. Scotland Excel will work with members and Project and Account Managers to increase uptake.

The framework was advertised with a value of up to £6 million per annum which totals to an estimated spend of £24 million over the maximum 4-year period. This figure was derived based on historical information and future plans as confirmed by Scotland Excel members.

3. Procurement Process

A Prior Information Notice (PIN) was published on 21st August 2023 which resulted in expressions of interest from seven suppliers.

Thereafter, the Contract Notice was published via the Find a Tender and Public Contracts Scotland (PCS) portal on 11th January, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the law and procedures currently in force.

After publication, the Contract Notice was shared with Scotland Food and Drink, Soil Association, Nourish Scotland and the National Veg Summit to share on social media sites and encourage local suppliers to participate in the tender.

The procurement exercise followed an open tender procedure to encourage maximum competition.

The tender followed a two-stage tendering procedure.

Stage one, Qualification, was conducted using the Single Procurement Document (SPD). Within the SPD, tenderers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing, quality management, and environmental management policies and/or procedures.

At the second stage of the process, compliant offers were evaluated against the award criteria and weightings outlined in Table 1.

Table 1: Evaluation Criteria/Weighting

Award Criteria	Total Available Scores
Qualification Section (SPD)	Pass/Fail
Technical Section	25
Commercial Section	75

Tenderers were required to indicate which local authorities they had an ability to service.

Tenderers were invited to bid on the following basis:

- In the commercial section, each tenderer required to submit a price for at least 70% of the Goods listed within the Schedule of Offer

Further non scored commercial questions had important contractual effects. Namely:

- % On-cost applicable to Tender Prices
- % discount applicable to Tender Prices

In the Technical Section, as outlined in Table 2, by the evaluation of scored method statements on:

- Supply Chain and Quality of Products
- Service, Delivery and Contract Management
- Fair Work First
- Sustainability
- Community Benefits.

Further non scored technical questions had important contractual effects and included:

- Ability to Service
- Ability to transact
- Vehicle Environmental Standards
- Real Living Wage

Table 2: Method Statement Scoring

Section	Question	Maximum Score Available
Technical 25%	Supply Chain and Quality of Products	10
	Service, Delivery and Contract Management	4
	Fair Work First	4
	Sustainability	4
	Community Benefits	3

Scoring was completed in accordance with the published tender evaluation methodology to calculate a total score.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus (Covid19) pandemic and its continued impact. Scotland Excel has determined to proceed with the tender exercise to establish this framework, and will monitor the situation throughout the period of the tender exercise, taking cognisance of all relevant circumstances in coming to any decision to recommend the award of Framework placings to successful Tenderers.

4. Report on Offers Received

The tender documents were downloaded by 15 suppliers, with 10 tender responses received by the specified closing date and time.

A summary of the offers received, and the scoring achieved by the recommended tenderers is set out in Appendix 2.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings summarised above, it is recommended that a multi-supplier framework arrangement is awarded to all 10 suppliers as outlined in Appendix 2 subject to satisfactory conclusion of insurance checks.

The 10 recommended suppliers offer best value and represent a mix of small, medium and micro-organisations.

The range of suppliers recommended provides coverage and competitive options for all participating bodies as well as offering a degree of choice and capacity along with an increase of coverage across council areas from the 1st generation of the framework.

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework as detailed within Appendix 2.

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current pricing against the pricing submitted within the renewal tender. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 7.19%, which equates to an estimated total saving of approximately £297,281 per annum based on current forecast spend levels.

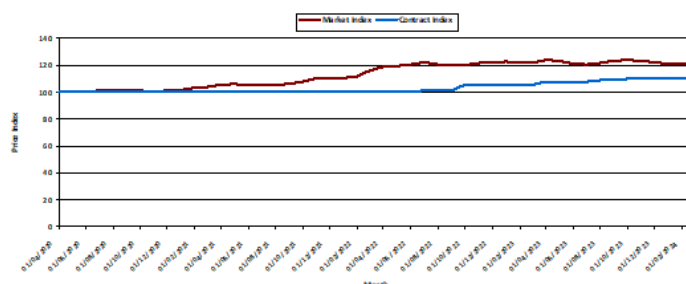
As demonstrated in figure1 Scotland Excel are currently operating 10% below the marketplace.

Indexation Report - Fresh Fruit & Veg



Schedule No: 1019
Contract Title: Supply & Distribution Of Fresh Fruit & Veg
Contract Manager: Nicola Howie
Start Date: 01/04/2020

Index	Type	Index Weighting (%)
Other Processed and Preserved Fruit and Veget	Specific	40
Road Fuel - Diesel	Standard	20
National Minimum Wage 25+	Specific	20
Consumer Price Index	Standard	20



Notes:

The Contract Index tracks the general movement in contract pricing and not the actual contract price paid. The Market Index tracks the general market movement against a weighted basket of relevant indices and not the current index levels. This report should be used as a guide only.

Produced by Scotland Excel – 06/03/24

Figure 1 – Indexation report March 2024

These savings are summarised in Table 3 in accordance with the Scottish Government procurement benefits reporting guidance.

Table 3: Benefit Types

Reference	Type	Reportable Outcome
BT1	Direct price-based savings	£297,281
BT2	Price versus market savings	10%
BT3	Process savings from use of collaborative arrangements	£225,000

Price Stability

Pricing is fixed for the initial 6-month period of the framework. The flexibility to respond to exceptional situations was retained within the contract. Thereafter, all requests for price increases will be evaluated according to the Terms and Conditions of the framework and require to be supported by documentary evidence.

After the initial 6 months, the supplier may submit a request for a price variance on a 6-monthly basis. The supplier may submit a price decrease at any time throughout the duration of the framework.

Rebate

Where the Contractor reaches spend of over £250,000 per annum for both core and non-core items, for all framework spend a rebate will apply. Framework spend includes spend for all participating councils, associate members and cross collaborating authorities for all Goods within the scope of the framework. A rebate of 0.5% will be applicable on the Contractor's spend above £250,000. Please note, the rebate will not apply to the first £250,000 of the Contractor's spend.

This rebate will be calculated on an annual basis.

Sustainable Procurement Benefits

The following sustainability benefits represent the Scottish Government reporting guidance for sustainability-based benefits (BT14).

Within the technical section of the tender, Scotland Excel included a sustainability related method statement, which included, question around the following areas:

- Reducing Plastic and alternative solutions
- Develop reusable, returnable packaging
- Food Waste Prevention
- Reducing CO2 Emissions and Food Miles

Responses received as part of the tender exercise are summarised, below:

In terms of reducing plastics suppliers are using sustainable alternatives like compostable plastic and plant-based materials.

To prevent food waste suppliers are donating produce to local soup kitchens, homeless charities, and foodbanks.

Suppliers reduce CO2 Emissions and Food Miles by consolidating routes, using route planning tools and using vehicles that are Euro 6 Compliant.

Scotland Excel will continue to monitor Fair Work Practices, including encouraging further uptake by suppliers committing to paying staff the Real Living Wage, during contract and supplier management activity.

Community Benefits

Scotland Excel is committed to maximising community benefits delivery for members. The supplier was asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community

benefits method statement. These aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spending with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework. The 10 recommended suppliers are committed to delivering these benefits. Scotland Excel will continue to engage with the appointed supplier to drive maximum adoption and delivery of community benefits where appropriate.

Within the published tender documents, the supplier was given a list of indicative community benefits that could be agreed with councils. Examples of these were:

- Employability workshop or events in schools, college or community groups
- Sponsorship of local sports teams and community events
- Donations of products and vouchers
- Recruitment of apprentices and full-time employees.

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework, and this will also be reported through ongoing contract management returns.

Fair Work First Including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and is engaged in decision making. Within the technical section of the tender, suppliers were assessed on their approach to Fair Work First and payment of the Real Living Wage to their workforce. Of the 10 recommended suppliers, 4 are an accredited Real Living Wage employer, 1 is paying the Real Living Wage but not accredited however commits to gain accreditation within the initial 2 years of the framework, 3 are currently paying the Real Living Wage but not accredited and 1 is not currently paying the Real Living Wage however commits to paying it within the initial 2 years of the framework as detailed in Appendix 2 – Scoring and Recommendations. Swansons Fruit Company Limited is not currently an accredited Real Living Wage employer and does not pay the Real Living Wage to all employees.

Scotland Excel will continue to monitor Fair Work First, including encouraging further uptake by suppliers committing to paying staff the Real Living Wage, during contract and supplier management activity.

7. Contract Mobilisation and Management

As part of the mobilisation process, the supplier will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. The Supplier and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract segmentation tool, this framework is classified as class D. As such, it will require an annual supplier meeting and survey, and annual user group reviews as appropriate.

8. Summary

This second-generation framework for the Supply and Distribution of Fresh Fruit & Vegetables continues to maximise collaboration, promote added value, and deliver best value. A range of benefits can be reported in relation to price stability, sustainability, and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 2.

Appendix 1 – Participation, Spend and Savings Summary
Supply & Distribution of Fresh Fruit & Vegetables 0823

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation (%)	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	01 June 2024	£440,000.00	Council Confirmed	10.0%	7.2%	£31,636	Benchmark Current Contract
Aberdeenshire Council	Yes	01 June 2024	£690,000.00	Council Confirmed	10.0%	7.2%	£49,611	Benchmark Current Contract
Angus Council	Yes	01 June 2024	£31,044.00	Council Confirmed	10.0%	7.2%	£2,232	Benchmark Current Contract
Argyll & Bute Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
City of Edinburgh Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
Clackmannanshire Council	TBC	01 June 2024	£1,178.57	MI Confirmed	10.0%	7.2%	£85	Benchmark Current Contract
Comhairle nan Eilean Siar	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
Dumfries & Galloway Council	TBC	01 June 2024	£0.00	MI Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
Dundee City Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
East Ayrshire Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
East Dunbartonshire Council	Yes	01 June 2024	£196,518.00	Council Confirmed	10.0%	7.2%	£14,130	Benchmark Current Contract
East Lothian Council	Yes	01 June 2024	£416,000.00	Council Confirmed	10.0%	7.2%	£29,910	Benchmark Current Contract
East Renfrewshire Council	Yes	01 June 2024	£184,206.00	Council Confirmed	10.0%	7.2%	£13,244	Benchmark Current Contract
Falkirk Council	Yes	01 June 2024	£159,235.72	Council Confirmed	10.0%	7.2%	£11,449	Benchmark Current Contract
Fife Council	Yes	01 June 2024	£700,000.00	Council Confirmed	10.0%	7.2%	£50,330	Benchmark Current Contract
Glasgow City Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
Highland Council	Yes	01 June 2024	£500,000.00	Council Confirmed	10.0%	7.2%	£35,950	Benchmark Current Contract
Inverclyde Council	Yes	01 June 2024	£133,040.60	Council Confirmed	10.0%	7.2%	£9,566	Benchmark Current Contract
Midlothian Council	Yes	01 June 2024	£248,875.77	Council Confirmed	10.0%	7.2%	£17,894	Benchmark Current Contract
Moray Council	Yes	01 June 2024	£239,000.00	Council Confirmed	10.0%	7.2%	£17,184	Benchmark Current Contract
North Ayrshire Council	TBC	01 June 2024	£373,222.83	MI Confirmed	10.0%	7.2%	£26,835	Benchmark Current Contract
North Lanarkshire Council	Yes	01 June 2024	£506,219.90	Council Confirmed	10.0%	7.2%	£36,397	Benchmark Current Contract
Orkney Islands Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
Perth & Kinross Council	Yes	01 June 2024	£17,163.47	Council Confirmed	10.0%	7.2%	£1,234	Benchmark Current Contract
Renfrewshire Council	TBC	01 June 2024	£107,984.53	MI Confirmed	10.0%	7.2%	£7,764	Benchmark Current Contract
Scottish Borders Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
Shetland Islands Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
South Ayrshire Council	Yes	01 June 2024	£200,000.00	Council Confirmed	10.0%	7.2%	£14,380	Benchmark Current Contract
South Lanarkshire Council	Yes	01 June 2024	£600,000.00	Council Confirmed	10.0%	7.2%	£43,140	Benchmark Current Contract
Stirling Council	No	01 June 2024	£0.00	Council Confirmed	10.0%	7.2%	£0	Benchmark Current Contract
West Dunbartonshire Council	Yes	01 June 2024	90,000.00	Council Confirmed	10.0%	7.2%	£6,471	Benchmark Current Contract
West Lothian Council	TBC	01 June 2024	£606,275.36	MI Confirmed	10.0%	7.2%	£43,591	Benchmark Current Contract
Tayside Contracts	Yes	01 June 2024	£485,195.50	Council Confirmed	10.0%	7.2%	£34,886	Benchmark Current Contract
Totals			£6,925,160			7.2%	£497,919	
Associate Members		01 June 2024		MI Confirmed	10.0%		£0	Benchmark Current Contract
Totals			£6,925,160			7.2%	£497,919	

Asterisk (*) denotes TBC

Indexation – This column confirms the difference when the relevant market indices are compared with the relevant Contract indices derived from framework specific cost drivers.

Appendix 2 – Scoring and Recommendations

<u>LOT NAME</u>	<u>TENDERER NAME</u>	<u>SME STATUS</u>	<u>REAL LIVING WAGE STATUS</u>	<u>LOCATION</u>	<u>OVERALL RECOMMENDATION STATUS</u>	<u>COMMERCIAL SCORE</u>	<u>TOTAL TECHNICAL SCORE</u>	<u>TOTAL SCORE</u>	<u>PLACING</u>	<u>RECOMMENDED FOR AWARD</u>
Fresh Fruit & Vegetables	George Carruthers & Sons Limited	Small	1	Glasgow	SUCCESSFUL	75.00	25.00	100.00	1	Y
Fresh Fruit & Vegetables	George Anderson & Sons	Medium	1	Edinburgh	SUCCESSFUL	69.46	24.50	93.96	2	Y
Fresh Fruit & Vegetables	Mclays Limited	Medium	1	Glasgow	SUCCESSFUL	65.12	24.50	89.62	3	Y
Fresh Fruit & Vegetables	Failte Food Service Limited	Medium	1	Glasgow	SUCCESSFUL	62.74	24.25	86.99	4	Y
Fresh Fruit & Vegetables	Premier Produce Scotland Ltd	Small	3	Glasgow	SUCCESSFUL	59.71	22.50	82.21	5	Y
Fresh Fruit & Vegetables	Brake Bros Limited	Large	4	Kent	SUCCESSFUL	53.38	24.50	77.88	6	Y
Fresh Fruit & Vegetables	T.P.S. Fruit & Vegetables Limited	Small	5	Aberdeenshire	SUCCESSFUL	56.66	16.75	73.41	7	Y
Fresh Fruit & Vegetables	Dole Limited t/a Mark Murphy	Medium	4	Edinburgh	SUCCESSFUL	53.10	16.00	69.10	8	Y
Fresh Fruit & Vegetables	J Halbert t/a Fruits & Roots	Micro	4	Troon	SUCCESSFUL	41.88	14.25	56.13	9	Y
Fresh Fruit & Vegetables	Swansons Fruit Company Limited	Small	6	Inverness	SUCCESSFUL	31.54	24.25	55.79	10	Y

KEY – *Real Living Wage Status Reference and Descriptions*

Real Living Wage Ref.	Description
1	Paying and Accredited Accredited Real Living Wage Employer and commit to maintaining this for the duration of the Framework Contract.
2	Paying & Progressing to Accreditation Currently Paying the Real Living Wage and going through the process of becoming an accredited Real Living Wage Employer. Commitment to gaining accreditation over the initial two-year period of the Framework Contract.
3	Paying & Commitment to Accreditation Currently paying the Real Living Wage. Not yet progressing accreditation but commitment to gaining accreditation over the initial two-year period of the framework contract.
4	Paying but No Commitment to Accreditation Currently paying the Real Living Wage. Not an accredited Real Living Wage Employer but paying the Real Living Wage to all employees (except volunteers, apprentices, and interns) and commit to maintaining this for the duration of the framework contract.
5	Not Paying but Commitment to Pay Not an accredited Real Living Wage Employer and do not currently pay the Real Living Wage to all employees (except volunteers, apprentices, and interns) but commit to paying the Real Living Wage to all employees (except volunteers, apprentices, and interns) within the initial two-year period of the framework contract.
6	Not Paying Neither accredited nor paying Real Living Wage.