

Scotland Excel

To: Executive Sub-Committee

On: 17 March 2023

**Report by
Chief Executive of Scotland Excel**

Tender: Supply, Delivery and Installation of Audio Visual Equipment

Schedule: 08/22

Period: 03 April 2023 until 02 April 2027

1. Introduction and Background

This recommendation is for the award of the fifth-generation renewal framework for the Supply, Delivery and Installation of Audio Visual (AV) Equipment. The current framework will expire on 31 March 2023. This proposed framework agreement will be for a period of four years from 03 April 2023 until 02 April 2027, subject to approval and completion of a standstill period.

This framework will provide councils and other participating bodies with a mechanism to procure a range of AV equipment including, but not limited to, interactive touch screens, wireless presentation systems, projectors and specialist AV equipment for people with additional support needs. Users of the framework are likely to include schools, nurseries, leisure centres, community centres, council buildings and civic centres.

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

2. Scope, Participation and Spend

As part of the strategy development and through consultation with the User Intelligence Group (UIG), the lotting structure will be simplified into three lots (as can be seen in Table 1: Lotting Structure). The lots for Audio Visual Solutions and Event Equipment Hire which feature on the current framework were deemed surplus to requirements by framework users.

Table 1: Lotting Structure

Lot No.	Description	Estimated % of Spend
1	Audio Visual Equipment	90%
2	Additional Support Needs	5%
3	Service, Repair and Maintenance	5%

This lotting structure recognises the current landscape of the marketplace and is designed to align closely with council requirements. The lotting strategy continues to offer opportunities for small and medium-sized enterprises (SMEs) in the marketplace.

The framework was advertised to enable access by all 32 councils in Scotland. As detailed in Appendix 1, 32 councils have confirmed their intention to participate in this framework.

Historical spend data suggests a forecast framework spend of c. £8 million per annum. However, this figure increased towards the end of pandemic due to the implementation of hybrid working/learning environments and the additional technology required to support this to c. £10.8 million. The framework was advertised at £9 million per annum to allow for any increase in spend levels by any participating councils who have had limited spend on the current framework and to also take account of:

- Potential changes in digital strategies at local and national level in Scotland.
- Continued implementation of hybrid working/learning environments and the additional technology required.
- Record levels of inflation along with rising supply chain costs (including raw materials and energy usage).

3. Procurement Process

A Prior Information Notice (PIN) was published on 5 September 2022 which resulted in expressions of interest from 47 companies. Several supplier engagement meetings were held on the basis of Regulation 41 (Preliminary Market Consultation) of the Public Contracts (Scotland) Regulations 2015 to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from SME's.

The UIG, consisting of procurement and technical representatives from the participating councils, endorsed the procurement strategy in September 2022.

Thereafter, the Contract Notice was published via the Find a Tender and Public Contracts Scotland (PCS) portal on 2 December 2022, 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.

As a matter of best practice and to ensure that the framework aligned with councils' requirements, a programme of consultation was conducted to understand their service requirements, the technical aspects of these services and their current purchasing practices and the future requirements that could be covered by this framework. This information was used to generate the specifications and selection/award criteria.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation. All suppliers were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the stated award criteria of:

1. Technical 30%
2. Commercial 70%

Within the technical section, suppliers were required to evidence their knowledge and experience by responding to a series of questions covering technical areas which are detailed within Table 2 below:

Table 2: Technical Criteria

Description	Weighting
Fair Work First	4
Supply Chain	4
Sustainability	6
Service Delivery and Contract Management	6
Product Support and Innovation	6
Community Benefits	4
Total score	30

The commercial section of the tender was worth 70 points. Points were awarded in the commercial section based on a comparison of all offers received, whilst accounting for the supplier's response to the commercial award criteria. In all lots, tenders were evaluated on the basis of a 'basket of goods'. Suppliers were required to bid for a minimum of one, any or all of the basket of goods detailed within the commercial Schedule of Offer, without penalty, in order to submit a compliant bid for any (or all) of the lots.

Following a full evaluation of all compliant offers, scoring was completed in accordance with the published tender evaluation methodology, and an overall score was calculated for each supplier.

Scotland Excel took cognisance of the situation relative to the Coronavirus pandemic in considering this tender exercise. Balancing the current situation with the need to provide a route to market for councils to obtain audio visual equipment, Scotland Excel determined to proceed with the tender exercise to establish this framework. Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and has determined it is appropriate to recommend the establishment of the framework as set out in this report.

4. Report on Offers Received

The tender document was downloaded by 44 organisations, with 13 tender responses received by the specified closing date and time. A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of all compliant offers received was completed. Appendix 3 confirms the overall scoring achieved by each supplier.

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 5 suppliers across three lots as outlined in Appendix 3.

The recommended suppliers offer best value and represent a mix of small, medium and large organisations. By taking an inclusive approach this will provide members with a greater offering to choose from.

The range of suppliers recommended provides coverage for all awarding framework lots and competitive options for all participating bodies as well as offering a degree of choice and capacity.

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework as detailed within Appendix 3.

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 on cost across all councils is 0.64%, which equates to an estimated total on cost of approximately £69,000 per annum based on current forecast spend levels.

In addition, it should be noted that the current framework is operating c.20% below current market conditions based on the established market indexation

model. However, this may not be the most accurate reflection of current conditions due to the nature of the framework and the volume of non-core spend (due to the rate of change in technology as new specifications and models are released on a regular basis). This, coupled with a shift in council buying habits post-pandemic, makes maintaining a core product list more challenging.

A targeted approach will be implemented during contract management to retain control of the situation. This will include regular core product list reviews involving suppliers and councils to ensure a more realistic gauge of contract performance is achieved.

Price Stability

The framework applies 6 months fixed pricing to all lots. 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.

Rebate

A rebate of 0.75% payable to Scotland Excel will be applied to annual framework spend above £500,000 per annum (excluding the initial £500,000) and will be calculated based upon all framework spend with the supplier reported through management information returns.

Sustainability

Within the technical section of the tender, Scotland Excel included a sustainability related method statement, which included questions on the following:

- The environmental impact of transportation
- Extending the life cycle of products and components
- Reducing and eliminating packaging and waste
- Disposal/Buy-Back schemes for aged equipment

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

One supplier has an initiative in place to send regenerated equipment to developing countries. The supplier has a re-usable stock scheme where they retain used AV products donated by schools and redistribute these to other schools who may be struggling financially. They also have a take-back scheme to encourage circular economy activities.

Another supplier provides 100% recycling of polystyrene (Styrofoam) which is utilised in an innovative way to manufacture picture frames. It is shredded into granules, compressed into dense blocks and provided to picture frame manufacturers who use 100% of the material to produce their frames.

One supplier carries out packaging audits on a regular basis. These audits are used to identify any products which may have excessive or unnecessary forms of primary, secondary or tertiary packaging. If excessively packaged goods are identified, they contact the manufacturer and ask them to confirm that they have made every effort to minimise the packaging they use on their products.

Scotland Excel will continue to monitor any changes in legislation that may affect the framework during its lifetime and will work with successful suppliers and councils to implement these.

Community Benefits

Scotland Excel is committed to maximising community benefits delivery for its members. Suppliers were 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 spend 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. All recommended suppliers have committed to delivering these benefits. Scotland Excel will continue to engage with all appointed suppliers to drive maximum adoption and delivery of community benefits where appropriate.

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

- Employability workshop or event
- Sponsorship of local sports teams and community events
- Work placements for school students from Purchasing Authority area.
- Donation of IT equipment to community groups
- 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. Results reported on community benefits will be disseminated to councils on a 6 monthly basis.

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 and well-led. Workers should have access to appropriate opportunities for training and skills development, are diverse and engaged in decision making.

Within the technical section of the tender, suppliers were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 5 recommended suppliers, 4 pay the Real Living Wage, with 1 of those suppliers being accredited, as detailed in Appendix 4. The supplier who does not currently pay the Real Living Wage – SSUK Limited – have committed to paying all employees (except volunteers, apprentices and interns) the Real Living Wage within the initial two year period of the framework contract.

Scotland Excel will continue to monitor Fair Work First practices, 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, all suppliers will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Suppliers 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 and supplier management programme, in terms of risk and spend as detailed in Appendix 5, this framework is classified as class D. As such, it will require annual review meetings with suppliers, annual surveys, and annual user group reviews as appropriate. In order to keep core product lists and supplier e-catalogues relevant and up-to-date there will be more regular engagement with suppliers carried out in the first year of the contract. Continued compliance will then be assessed on an ongoing basis.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This fifth-generation framework for the Supply, Delivery and Installation of Audio Visual Equipment continues to maximise collaboration, promote added value and deliver best value for customers. 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 3.

Appendix 1 – Participation, Spend and Savings Summary

0822 Supply, Delivery and Installation of Audio Visual Equipment

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	03 April 2023	£145,047	Scotland Excel Management Information	20.7%	-0.64%	£928	Benchmark Current Contract
Aberdeenshire Council	Yes	03 April 2023	£453,243	Scotland Excel Management Information	20.7%	-0.64%	£2,901	Benchmark Current Contract
Angus Council	Yes	03 April 2023	£947,142	Validated by Council	20.7%	-0.64%	£6,062	Benchmark Current Contract
Argyll and Bute Council	Yes	03 April 2023	£105,920	Validated by Council	20.7%	-0.64%	£678	Benchmark Current Contract
Clackmannanshire Council	Yes	03 April 2023	£29,826	Scotland Excel Management Information	20.7%	-0.64%	£191	Benchmark Current Contract
Comhairle Nan Eilean Siar	Yes	03 April 2023	£883	Validated by Council	20.7%	-0.64%	£6	Benchmark Current Contract
Dumfries and Galloway Council	Yes	03 April 2023	£53,938	Scotland Excel Management Information	20.7%	-0.64%	£345	Benchmark Current Contract
Dundee City Council	Yes	03 April 2023	£441,218	Validated by Council	20.7%	-0.64%	£2,824	Benchmark Current Contract
East Ayrshire Council	Yes	03 April 2023	£225,430	Validated by Council	20.7%	-0.64%	£1,443	Benchmark Current Contract
East Dunbartonshire Council	Yes	03 April 2023	£60,364	Scotland Excel Management Information	20.7%	-0.64%	£386	Benchmark Current Contract
East Lothian Council	Yes	03 April 2023	£709,022	Scotland Excel Management Information	20.7%	-0.64%	£4,538	Benchmark Current Contract
East Renfrewshire Council	Yes	03 April 2023	£91,697	Scotland Excel Management Information	20.7%	-0.64%	£587	Benchmark Current Contract
Falkirk Council	Yes	03 April 2023	£252,984	Scotland Excel Management Information	20.7%	-0.64%	£1,619	Benchmark Current Contract
Fife Council	Yes	03 April 2023	£569,752	Scotland Excel Management Information	20.7%	-0.64%	£3,646	Benchmark Current Contract
Glasgow City Council	Yes	03 April 2023	£865,478	Validated by Council	20.7%	-0.64%	£5,539	Benchmark Current Contract
Highland Council	Yes	03 April 2023	£394,796	Scotland Excel Management Information	20.7%	-0.64%	£2,527	Benchmark Current Contract
Inverclyde Council	Yes	03 April 2023	£705,715	Validated by Council	20.7%	-0.64%	£4,517	Benchmark Current Contract
Midlothian Council	Yes	03 April 2023	£148,127	Validated by Council	20.7%	-0.64%	£948	Benchmark Current Contract
North Ayrshire Council	Yes	03 April 2023	£375,254	Validated by Council	20.7%	-0.64%	£2,402	Benchmark Current Contract
North Lanarkshire Council	Yes	03 April 2023	£291,158	Scotland Excel Management Information	20.7%	-0.64%	£1,863	Benchmark Current Contract
Orkney Islands	Yes	03 April 2023	£0	Scotland Excel Management Information	20.7%	-0.64%	£0	Benchmark Current Contract
Perth and Kinross Council	Yes	03 April 2023	£839,983	Validated by Council	20.7%	-0.64%	£5,376	Benchmark Current Contract
Renfrewshire Council	Yes	03 April 2023	£315,830	Scotland Excel Management Information	20.7%	-0.64%	£2,021	Benchmark Current Contract
Scottish Borders Council	Yes	03 April 2023	£66,940	Scotland Excel Management Information	20.7%	-0.64%	£428	Benchmark Current Contract
Shetland Islands Council	Yes	03 April 2023	£198,819	Validated by Council	20.7%	-0.64%	£1,272	Benchmark Current Contract
South Ayrshire Council	Yes	03 April 2023	£418,934	Scotland Excel Management Information	20.7%	-0.64%	£2,681	Benchmark Current Contract
South Lanarkshire Council	Yes	03 April 2023	£133,464	Scotland Excel Management Information	20.7%	-0.64%	£854	Benchmark Current Contract
Stirling Council	Yes	03 April 2023	£189,793	Scotland Excel Management Information	20.7%	-0.64%	£1,215	Benchmark Current Contract
The City of Edinburgh Council	Yes	03 April 2023	£1,034,339	Scotland Excel Management Information	20.7%	-0.64%	£6,620	Benchmark Current Contract
The Moray Council	Yes	03 April 2023	£224,128	Validated by Council	20.7%	-0.64%	£1,434	Benchmark Current Contract
West Dunbartonshire Council	Yes	03 April 2023	£62,239	Scotland Excel Management Information	20.7%	-0.64%	£398	Benchmark Current Contract
West Lothian Council	Yes	03 April 2023	£322,252	Validated by Council	20.7%	-0.64%	£2,062	Benchmark Current Contract
Totals			£10,673,716			-0.64%	£68,312	
Associate Members			£111,032	MI Returns	20.7%	-0.64%	£711	Benchmark Current Contract
Totals			£10,784,748			-0.6%	£69,022	

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 – List of Suppliers with SME Status

Appendix 2 details all suppliers who submitted a valid offer as part of the tender process, their SME status, location and the lots for which they have bid.

Supplier's Name	SME Status	Location	Lots Tendered	Lots awarded
Audio Light Systems Limited	Small	Edinburgh	1 & 3	N/A
AVMI Kinly Ltd	Large	Sunbury-on-Thames	1, 2 & 3	1, 2 & 3
Irruptus Limited	Small	East Kilbride	1, 2 & 3	1, 2 & 3
FES Support Services Limited	Large	Stirling	1, 2 & 3	N/A
G & A Barnie Group Limited	Medium	Inverness	1	N/A
Heriot Electronics Limited	Small	Edinburgh	1 & 3	N/A
HI Audio Visual Limited	Micro	Glasgow	1 & 3	N/A
Interactiv Solutions (Scotland) Limited	Small	Wishaw	1	N/A
Learning Space Belfast Ltd	Small	Cookstown	1 & 2	2
Mediascape Ltd.	Small	Glasgow	1 & 3	1 & 3
PCL Live (Aberdeen) Limited	Micro	Aberdeen	1	N/A
SSUK Limited	Medium	Glasgow	1, 2 & 3	1, 2 & 3
Moorings Mediquip Ltd	Small	Ballymena	2 & 3	N/A

Appendix 3 - Scoring and Recommendations

Lot 1 - Audio Visual Equipment		
Supplier	Total Score	Recommended for Award
SSUK Limited	95.50	Yes
Irruptus Limited	88.89	Yes
AVMI Kinly Ltd	86.31	Yes
Mediascape Ltd.	83.96	Yes
Audio Light Systems Limited	73.23	No
Interactiv Solutions (Scotland) Limited	64.92	No
HI Audio Visual Limited	59.35	No
Learning Space Belfast Ltd	59.31	No
FES Support Services Limited	56.19	No
Heriot Electronics Limited	50.06	No
G & A Barnie Group Limited	48.39	No
PCL Live (Aberdeen) Limited	38.36	No

Lot 2 - Additional Support Needs		
Supplier	Total Score	Recommended for Award
AVMI Kinly Ltd	97.50	Yes
SSUK Limited	90.91	Yes
Irruptus Limited	88.39	Yes
Learning Space Belfast Ltd	79.57	Yes
FES Support Services Limited	53.06	No
Moorings Mediquip Ltd	47.02	No

Lot 3 - Service, Repair and Maintenance		
Supplier	Total Score	Recommended for Award
SSUK Limited	95.50	Yes
AVMI Kinly Ltd	78.56	Yes
Irruptus Limited	61.78	Yes
Mediascape Ltd.	44.83	Yes
FES Support Services Limited	34.92	No
Heriot Electronics Limited	32.08	No
Audio Light Systems Limited	30.86	No
Moorings Mediquip Ltd	27.76	No
HI Audio Visual Limited	24.88	No

Appendix 4 - List of Recommended Suppliers with Living Wage Status

Supplier	Accredited	Currently progressing through Real Living Wage accreditation process	Not accredited Real Living Wage Employer but committed to gaining accreditation over the initial 2 years of framework	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
AVMI Kinly Ltd		Yes				
Irruptus Limited				Yes		
Learning Space Belfast Ltd				Yes		
Mediascape Ltd.	Yes					
SSUK Limited					Yes*	

* Over 80% of SSUK Limited's workforce are paid at least the Real Living Wage, however, entry-level positions/trainees receive the National Living Wage. They commit by 2025 that all staff will be paid the Real Living Wage and they will have gained accreditation.

Appendix 5 – Segmentation Classifications

0822 Supply, Delivery and Installation of Audio Visual Equipment is classified as Class D.

There are five segmentation classifications, and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with Contract Steering Group.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.