

Scotland Excel

To: Executive Sub-Committee

On: 19 June 2020

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

Tender: Supply and Delivery of Catering Sundries

Schedule: 1919

Period: 1 August 2020 until 31 July 2022 (with the option to extend for up to an additional two 12 month periods until 31 July 2024)

1. Introduction and Background

The current framework for catering sundries will expire on 31 July 2020. This proposed renewal framework will operate from 1 August 2020 until 31 July 2022 (with the option to extend for up to two 1-year periods until 31 July 2024).

This framework will provide councils and associate members with a mechanism to procure a range of catering sundries including disposable/recyclable cups, plates and cutlery, and other cookware and crockery for use within catering environments including schools, cafes and restaurants, corporate and civic locations, leisure centres, community centres and social work premises.

The renewal incorporates a number of enhancements to the current framework, including the option for recyclable and compostable products.

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 Groups (UIG), it was decided to simplify the lotting structure from 3 to 2 lots as per figure 1 below. The products that were included within the Insulated Containers lot will now be captured in Lot 2 Catering Sundries.

Figure 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Catering Disposables	70%
2	Catering Sundries	30%

The framework was advertised to permit access by all 32 councils and associate members in Scotland. As detailed in Appendix 1, 32 councils and Tayside Contracts have confirmed their intention to participate in this framework.

Historical spend data suggests a forecast framework spend of c£3 million per annum. This framework is being advertised with a value of up to £4million per annum. A contingency has been built in to allow for a potential cost increase on the alternative/eco-friendlier products and to allow for a council not using the current framework to participate in the new framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on 27th August 2019. This resulted in expressions of interest from 25 companies which led to 7 supplier meetings being held, supporting key elements of the development strategy. These included - ability to service, market trends, community benefits, sustainability, product range/specification along with discussions on plastics and how legislative changes would affect disposable products during the lifetime of the framework.

The User Intelligence Group (UIG), consisting of procurement and technical representatives from participating councils, endorsed the procurement strategy at 3 regional events on 23rd, 30th and 31st October 2019. A working group of technical representatives from the councils reviewed the specifications and the technical criteria to be adopted during the tender process.

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

- Technical 20%
- Commercial 80%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to a series of technical requirements which are detailed in figure 2.

Figure 2: Technical Scoring

Description	Lot 1 and 2 Weighting
Fair Work Practices	4
Community Benefits Confirmation	5
Plastic	4
Recycling & Added Value	4
Servicing the Contract and Supply Chain	3
Total score	20

The commercial section of the tender was worth 80 points.

Bidders were invited to offer on a lot by lot basis and a discount from recommended retail price (RRP) model was used. Bidders were requested to submit an RRP price for each product along with a percentage discount for a basket of goods.

4. Report on Offers Received

Offers were received from 10 tenderers, a summary of which is provided in Appendix 2 (List of Tenderers).

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the offers received was carried out. Appendix 3 outlines the scoring achieved by each bidder, of which 9 are recommended for award across both lots.

5. Recommendations

The 9 recommended suppliers provide the choice, scope and range of catering sundries required by councils as well as representing best value and providing geographical coverage. These 9 suppliers also represent a mix of small, medium and large organisations, with 4 of the recommended suppliers classified as SMEs (defined as having between 10 and 249 employees)

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise based on available historic spend information. The results of this benchmarking are detailed in Appendix 1.

The projected average saving across all councils is 4.88%, which equates to an estimated total saving of approximately £184,000 per annum based on current forecast spend levels.

This figure is based on current pricing of the most used supplier for current core list products, against the best offer received.

However, it should be noted that future buying patterns in councils may differ in light of changes to catering services and menu options that schools may adopt during the planned phased return in August following the Covid-19 crisis.

Scotland Excel will work closely with councils when catering services begin planning their return and create individual benchmarking documents based on projected spend and purchasing habits.

Price Stability

Price Stability was not scored for this tender due to market uncertainty from Brexit at the time of tendering. However, a price stability clause was included, and of the recommended suppliers, 8 have offered 12 months fixed pricing and 1 has offered 24 months fixed pricing.

Sustainable Procurement Benefits

Within the technical section of the tender, Scotland Excel included a number of sustainability related method statements, including :

- Use of Plastic and changes to legislation
- Recycling and Added Value

In December 2020 new legislation will come into effect with regards to the removal of single use plastic. The impact of this will be that 8 plastic items will be removed (including disposable cutlery, plastic stirrers, plastic straws, disposable plates and bowls) with another 19 products reviewed after this period (including disposable cups and plastic cup lids for hot beverages).

Within the current framework these items would be purchased through Lot 1, Catering Disposables. As a result of the removal of plastics, bidders were asked how their organisation will adapt and how they would deal with any other policy/legislation changes during the lifetime of this framework

The 6 recommended suppliers for Lot 1 are all working towards the elimination of these products and are equipped to deal with any changes that may arise during the lifetime of the framework.

In preparation some suppliers have mentioned they are working with the Plastic Pact, a network of key stakeholders working to implement solutions that support a circular economy for plastics.

Bidders were asked a question in relation to recycling, including how packaging on deliveries would be reduced or recyclable. Responses from the recommended bidders include:

- 95% of packaging used for deliveries will be collected and recycled and the bidder is working towards being a zero to landfill company throughout 2020
- 100% of bidders' delivery packaging comprises recycled material

Due to the nature of Lot 1, within the commercial schedule of offer bidders were asked to note what percentage of each product on the lot was recyclable or compostable.

From the 6 recommended suppliers for this lot, 5 suppliers have committed to the majority of the items being 100% recycled with a number of items being compostable.

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

Community Benefits

Suppliers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. The benefits 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.

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

- Fundraising event for external charities / initiatives within the council
- Work placements to school students from councils
- Support local food banks and community pantry initiatives
- Support holiday hunger programmes
- Sponsorship of sports team or community event within the council to the value of £500
- Recruit a modern (or other approved) apprentice from within the council
- Recruit one person from within the council area

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 period basis.

Fair work Practice including Real Living Wage

Scotland Excel recognises the importance of fair work practices in the delivery of effective public services. Within the technical section of the tender, one of the method statements assessed bidders on areas such as how they will commit to fair work practices. These include payment of the Real Living Wage, a fair pay policy, improving wider diversity of staff and avoiding exploitative employment practices, such as no inappropriate use of zero hours contracts.

Appendix 4 shows a breakdown of responses received from tenderers on their approach to fair work practices and their position on the payment of the Real Living Wage. In addition, 2 of the 4 suppliers classified as neither accredited nor paying the living wage have confirmed that all employees servicing Scottish operations are paid the at the living wage rate or above.

Scotland Excel will monitor status with all awarded suppliers during the lifetime of the framework and engage with the Living Wage Foundation on this particular market.

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be invited to a contract mobilisation meeting to outline the operation of the framework. This will include roles and responsibilities, management information requirements and community benefits reporting. Suppliers and participating councils will be issued with a mobilisation pack containing all required details which will enable them to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a category D framework. As such, Scotland Excel will conduct annual review meetings with suppliers and the option for annual user group reviews, as appropriate, whilst monitoring management information and community benefits associated with this framework. A summary of contract and supplier management classifications can be found in Appendix 5.

Supplier performance will be monitored by the contract supplier management process where surveys will be issued to councils for feedback on elements of the framework such as quality and service. This feedback will form the basis of contract management meetings with suppliers, who will be able to review the feedback and if required initiate an improvement programme.

8. Summary

This is the fourth generation framework for the Supply and Delivery of Catering Sundries and aims to maximise collaboration, consolidate demand and deliver best value.

The Executive Sub Committee is requested to approve the recommendation to award this framework to the suppliers detailed within Appendix 3 (Scoring and Recommendations).

Appendix 1 – Participation, Spend and Savings Summary

Supply and Delivery of Catering Sundries

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 August 2020	£134,134	Validated by Council	1.0%	4.88%	£6,546	Benchmark Current Contract
Aberdeenshire Council	Yes	01 August 2020	£216,018	Validated by Council	1.0%	4.88%	£10,542	Benchmark Current Contract
Angus Council	Yes	01 August 2020	£9,129	Scotland Excel Management Information	1.0%	4.88%	£446	Benchmark Current Contract
Argyll & Bute Council	Yes	01 August 2020	£87,856	Validated by Council	1.0%	4.88%	£4,287	Benchmark Current Contract
City of Edinburgh Council	Yes	01 August 2020	£260,360	Scotland Excel Management Information	1.0%	4.88%	£12,706	Benchmark Current Contract
Clackmannanshire Council	Yes	01 August 2020	£18,396	Scotland Excel Management Information	1.0%	4.88%	£898	Benchmark Current Contract
Comhairle nan Eilean Siar	Yes	01 August 2020	£625	Scotland Excel Management Information	1.0%	4.88%	£30	Benchmark Current Contract
Dumfries & Galloway Council	Yes	01 August 2020	£110,908	Scotland Excel Management Information	1.0%	4.88%	£5,412	Benchmark Current Contract
Dundee City Council	Yes	01 August 2020	£64,055	Validated by Council	1.0%	4.88%	£3,126	Benchmark Current Contract
East Ayrshire Council	Yes	01 August 2020	£88,000	Scotland Excel Management Information	1.0%	4.88%	£4,294	Benchmark Current Contract
East Dunbartonshire Council	Yes	01 August 2020	£69,252	Validated by Council	1.0%	4.88%	£3,380	Benchmark Current Contract
East Lothian Council	Yes	01 August 2020	£47,778	Validated by Council	1.0%	4.88%	£2,332	Benchmark Current Contract
East Renfrewshire Council	Yes	01 August 2020	£117,409	Validated by Council	1.0%	4.88%	£5,730	Benchmark Current Contract
Falkirk Council	Yes	01 August 2020	£110,495	Scotland Excel Management Information	1.0%	4.88%	£5,392	Benchmark Current Contract
Fife Council	Yes	01 August 2020	£192,125	Scotland Excel Management Information	1.0%	4.88%	£9,376	Benchmark Current Contract
Glasgow City Council	Yes	01 August 2020	£674,000	Validated by Council	1.0%	4.88%	£32,891	Benchmark Current Contract
Highland Council	Yes	01 August 2020	£27,638	Validated by Council	1.0%	4.88%	£1,349	Benchmark Current Contract
Inverclyde Council	Yes	01 August 2020	£42,579	Scotland Excel Management Information	1.0%	4.88%	£2,078	Benchmark Current Contract
Midlothian Council	Yes	01 August 2020	£62,909	Scotland Excel Management Information	1.0%	4.88%	£3,070	Benchmark Current Contract
Moray Council	Yes	01 August 2020	£30,007	Validated by Council	1.0%	4.88%	£1,464	Benchmark Current Contract
North Ayrshire Council	Yes	01 August 2020	£106,990	Validated by Council	1.0%	4.88%	£5,221	Benchmark Current Contract
North Lanarkshire Council	Yes	01 August 2020	£257,607	Scotland Excel Management Information	1.0%	4.88%	£12,571	Benchmark Current Contract
Orkney Islands Council	Yes	01 August 2020	£2,592	Scotland Excel Management Information	1.0%	4.88%	£126	Benchmark Current Contract
Perth & Kinross Council	Yes	01 August 2020	£46,740	Validated by Council	1.0%	4.88%	£2,281	Benchmark Current Contract
Renfrewshire Council	Yes	01 August 2020	£99,071	Scotland Excel Management Information	1.0%	4.88%	£4,835	Benchmark Current Contract
Scottish Borders Council	Yes	01 August 2020	£74,992	Validated by Council	1.0%	4.88%	£3,660	Benchmark Current Contract
Shetland Islands Council	Yes	01 August 2020	£1,653	Scotland Excel Management Information	1.0%	4.88%	£81	Benchmark Current Contract
South Ayrshire Council	Yes	01 August 2020	£118,915	Validated by Council	1.0%	4.88%	£5,803	Benchmark Current Contract
South Lanarkshire Council	Yes	01 August 2020	£115,035	Scotland Excel Management Information	1.0%	4.88%	£5,614	Benchmark Current Contract
Stirling Council	Yes	01 August 2020	£26,450	Validated by Council	1.0%	4.88%	£1,291	Benchmark Current Contract
West Dunbartonshire Council	Yes	01 August 2020	£325,720	Validated by Council	1.0%	4.88%	£15,895	Benchmark Current Contract
West Lothian Council	Yes	01 August 2020	£39,860	Validated by Council	1.0%	4.88%	£1,945	Benchmark Current Contract
Tayside Contracts	Yes	01 August 2020	£133,034	Validated by Council	1.0%	4.88%	£6,492	Benchmark Current Contract
Totals			£3,712,333			4.88%	£181,162	
Associate Members			£61,168			4.88%	£2,985	
Totals			£3,773,501			4.88%	£184,147	

Appendix 2 – List of Tenderers with SME Status

Name of Tenderers	SME Status	Location	Lots Tendered	Lots to be Awarded
Alliance Disposables Limited	Medium	Crewe, Cheshire	Lots 1 and 2	Lots 1 and 2
BFS Group Limited T/A Bidfood	Large	Slough, England	Lots 1 and 2	Lot 2
Brake Bros Limited	Large	Ashford, Kent	Lots 1 and 2	Lots 1 and 2
Bunzl UK Limited TA Bunzl Catering Supplies	Large	London	Lot 1	Lot 1
Bunzl UK Limited TA Lockhart Catering Equipment	Large	London	Lot 2	Lot 2
GMC Corsehill Ltd	Small	Paisley	Lots 1 and 2	Lot 1 and 2
Instock Ltd	Medium	Aberdeen	Lots 1 and 2	Lots 1 and 2
Kitchway Ltd	Mirco	London	Lot 2	None
Nisbets Plc	Large	Bristol	Lots 1 and 2	Lot 2
Unico Limited	Medium	London	Lot 1	Lot 1

Appendix 3 - Scoring and Recommendations

Catering Sundries 1919

Recommendations - Lot 1 – Catering Disposable

Supplier	Commercial (out of 80)	Technical (out of 20)	Total Score (out of 100)	Awarded to Lot
Instock Ltd	80.00	17.875	97.88	Yes
Unico Limited	66.83	18.875	85.70	Yes
GMC Corsehill Ltd	65.74	18.25	83.99	Yes
Alliance Disposables Limited	68.40	12.125	80.53	Yes
Bunzl UK Limited TA Bunzl Catering Supplies	62.37	15.625	78.00	Yes
Brake Bros Limited	56.56	16.5	73.06	Yes
BFS Group Limited T/A Bidfood	46.55	15.625	62.17	No
Nisbets Plc	31.90	15.25	47.15	No

Recommendations - Lot 2 - Catering Sundries

Supplier	Commercial (out of 80)	Technical (out of 20)	Total Score (out of 100)	Awarded to Lot
Instock Ltd	80.00	17.875	97.88	Yes
Alliance Disposables Limited	77.92	12.125	90.04	Yes
GMC Corsehill Ltd	50.74	18.25	68.99	Yes
Bunzl UK Limited TA Lockhart Catering Equipment	40.47	16.5	56.97	Yes
Nisbets Plc	38.83	15.25	54.08	Yes
Brake Bros Limited	34.93	16.5	51.43	Yes
BFS Group Limited T/A Bidfood	32.64	15.625	48.26	Yes
Kitchway Ltd	28.28	9.75	38.03	No

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	Accredited	Currently progressing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, and 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
Alliance Disposables Limited		Yes				
BFS Group Limited T/A Bidfood						Yes
Brake Bros Limited*						Yes
Bunzl UK Limited TA Bunzl Catering Supplies					Yes	
Bunzl UK Limited TA Lockhart Catering Equipment					Yes	
GMC Corsehill Ltd			Yes			
Instock Ltd			Yes			
Nisbets Plc						Yes
Unico Limited*						Yes

* Brakes Bros Limited and Unico Limited pay the majority of Scottish staff the Real Living Wage

Appendix 5 – Contract & Supplier Management Classification

There are 5 segmentation classifications and these classifications are rated from Class A to Class E. Each classification has associated contract and supplier management activities associated with it based on the 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 CSG.

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.