

## Scotland Excel

To: Executive Sub-Committee

On: 15 September 2023

Report by:  
Chief Executive of Scotland Excel

Tender: Supply and Delivery of Fresh Bread, Rolls & Bakery Products

Schedule: 0723

Period: 48 months

### 1. Introduction and Background

This recommendation is for the award of the second-generation renewal framework for the Supply and Delivery of Fresh Bread, Rolls & Bakery Products.

The framework will provide a mechanism for councils to procure a range of fresh bread, rolls & bakery products, which will include but is not limited to, brown bread, white bread, pittas, wraps, potato scones, cakes, pastries, and baguettes. Users of the framework are likely to include schools, nurseries, care homes, leisure centres, cafes, and office units.

The framework will be for a period of 48 months as advertised in the published tender documents. Subject to approval and completion of a standstill period, the framework is intended to commence on or around October 2023.

This report summarises the outcome of the procurement process for this national framework agreement 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 inclusion of a single lot was endorsed as shown in Table 1. The framework structure remains unchanged from the previous generation of the framework and comprises a single requirement for “**Fresh Bread, Rolls & Bakery Products**” which represents all estimated spend through the framework.

As detailed in Appendix 1, 25 councils have confirmed their intention to participate in this framework, with all councils being named on the advertised contract notice.

The framework was advertised at £2 million per annum, which totals to an estimated spend of £8 million over the 4-year lifetime of the framework. This advertised spend allows for increased participation from councils and associate members not currently utilising the framework.

**Table 1: Framework Structure**

<b>Lot No.</b>	<b>Description</b>	<b>Estimated % Spend through lot</b>
1	Fresh Bread, Rolls & Bakery Products	100%

### **3. Procurement Process**

A Prior Information Notice (PIN) was published on the 12<sup>th</sup> April 2023 which resulted in the expressions of interest from nine suppliers. Supplier surveys were conducted alongside the Prior Information Notice to better understand the current market conditions, inform the supply base of Scotland Excels intentions and to generate interest from Small to Medium Enterprises (SMEs).

Thereafter, the Contract Notice was published via the Find a Tender and Public Contract Scotland (PCS) portal on the 4<sup>th</sup> July 2023, 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.

A tender training webinar was held by the Supplier Development Programme on the 20<sup>th</sup> of July to encourage and support SMEs to participate in the tender to help increase coverage for local authorities.

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

The published tender documents anticipated the appointment to the framework of a range of tenderers with relevant and demonstrable experience and capabilities. There was no fixed number of tenderers to be awarded participation and no fixed score ensured success. The most economically advantageous tenderer or tenderers was to be identified once all of the bids had completed the evaluation in accordance with the requirements set down within the tender documents. Awards would be sufficient to meet council requirements.

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, health and safety, and environmental management policies and/or procedures.

At the second stage of the process, offers were evaluated against the criteria and weightings outlined in Table 2.

**Table 2: Evaluation Criteria/Weighting**

<b>Award Criteria</b>	<b>Total Available Scores</b>
Commercial Section	80
Technical Section	20

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, tenderers were asked to offer a National Net Delivered Product Price for at least 70% of the basket of goods. Scotland Excel exercised its discretion to consider submissions in accordance with the published tender documents. No bids were excluded from further evaluation.
- In the Technical Section, as outlined in Table 3, by the evaluation of scored method statements on community benefits, customer service & contract management, servicing the contract, Fair Work First and sustainability.

**Table 3: Method Statement Scoring**

<b>Section</b>	<b>Question</b>	<b>Maximum Score Available</b>
<b>Technical 20%</b>	Community Benefits	<b>4</b>
	Customer Service & Contract Management	<b>4</b>
	Servicing the Contract	<b>3</b>
	Fair Work First	<b>4</b>
	Sustainability	<b>5</b>

Following a full evaluation of all submissions, scoring was completed in accordance with the published tender evaluation methodology, and a score was calculated for each tenderer.

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

The tender documents were downloaded by 9 suppliers, with 4 tender responses received by the specified closing date and time.

Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of offers received was completed. A summary of all the offers received and the scoring achieved by each tenderer 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 4 suppliers as outlined in Appendix 2.

The 4 recommended suppliers offer best value and represent a mix of small and medium organisations. By taking an inclusive approach this will provide members with a greater offering.

The range of suppliers recommended provides coverage 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 2.

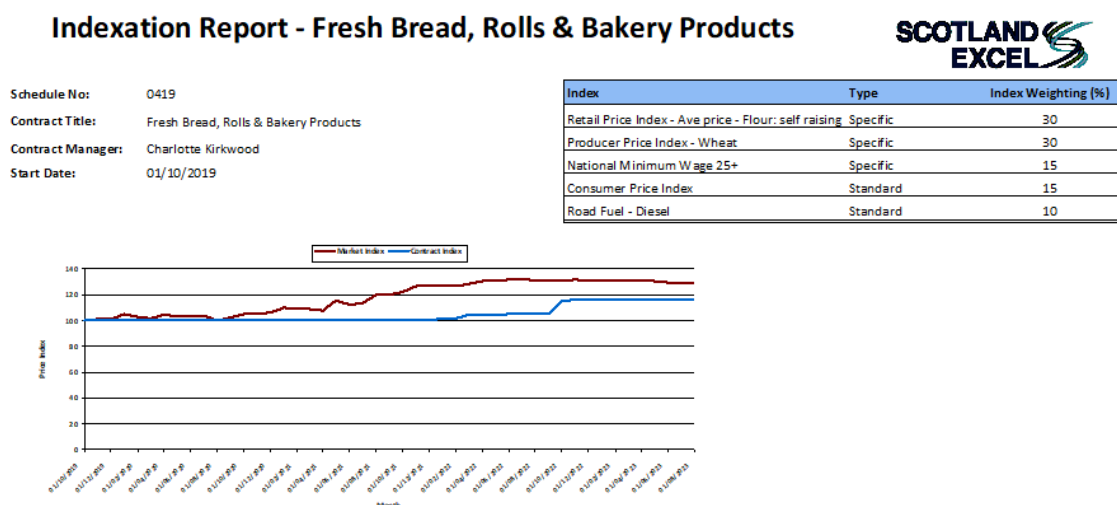
## **6. Benefits**

### **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 4.3%, which equates to an estimated total saving of approximately £84k per annum based on current forecast spend levels.

It should also be noted that the current framework contract is currently operating 12% under market conditions as detailed in Figure 1, indexation report.

**Figure 1: Indexation Report**



*Figure 1: Indexation Report*

These savings are summarised in Table 4 in accordance with the Scottish Government procurement benefits reporting guidance.

**Table 4: Savings Summary**

Reference	Type	Reportable Outcome
BT1	Direct price-based savings	£83,725
BT2	Price versus market savings	12%
BT3	Process savings from use of collaborative arrangements	£150,000

## Price Stability

Pricing is fixed for the initial 6-month period of the framework. 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, suppliers may submit a request for a price variance on a 6-monthly basis. Suppliers may submit a price decrease at any time throughout the duration of the framework.

## **Rebate**

A rebate of 0.5% payable to Scotland Excel will be applied to framework spend above £75,000 and will be calculated based on all frameworks spend with the supplier reported through management information returns.

## **Sustainable Procurement Benefits**

### **Sustainability**

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:

- Plastic Reduction
- Reusable, Returnable Packaging Solutions
- CO2 Emissions
- Food Miles

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

One supplier uses stackable plastic trays in supply and delivery of products. These are reused to prevent the use of single-use plastic. Packaging of products is made up of 100% recycled plastic and they have made the commitment to encourage their own suppliers to move to bio-degradable plastic.

One supplier is using an on-site intelligent fuel tank partnered with a Quartix system to establish route planning in order to minimise the miles per delivery therefore also reducing CO2 emissions. This has resulted in an Eco Stars accreditation for the fleet.

### **Community Benefits**

Scotland Excel is committed to maximising community benefits delivery for 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 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. Of the recommended suppliers, all four

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:

- Fundraising (Events in the local authority area for charity)
- Community Volunteering (Community Projects e.g. food growing/allotment assistance)
- Work Experience (Placements for school students in the local authority)
- Training (Training sessions for wider community)
- Employability Workshops (Events in school, college, or community group)
- Material/Labour Donation (Help support community projects)
- Sponsorship (Local sports team or community event)

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 four recommended suppliers, three pay the real living with one being an accredited Real Living Wage employer, as detailed in Appendix 2 – Scoring and Recommendations.

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, 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 segmentation tool, this framework is classified as class D. As such, it will require annual supplier meetings and surveys, and annual user group reviews as appropriate. During the current market conditions Scotland Excel will continue to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of this essential service delivery for members.

## **8. Summary**

This second-generation framework for the Supply and Delivery of Fresh Bread, Rolls & Bakery Products continues to maximise collaboration, promote added value, and deliver best value. A range of benefits can be reported in relation to savings, 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**  
**0723 Supply and Delivery of Fresh Bread, Rolls & Bakery Products**

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	01/10/2023	£50,000	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Aberdeenshire Council	YES	01/10/2023	£65,000	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Angus Council	YES	01/10/2023	TBC	MI Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Argyll & Bute Council	YES	01/10/2023	£65,000	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Clackmannanshire Council	YES	01/10/2023	£1,781	Council Confirmed	12.0%	11.3%	£201	Benchmark Current Contract
Comhairle nan Eilean Siar	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Dumfries & Galloway Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Dundee City Council	YES	01/10/2023	£7,500	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
East Ayrshire Council	YES	01/10/2023	£72,264	Council Confirmed	12.0%	-29.2%	-£21,079	Benchmark Current Contract
East Dunbartonshire Council	YES	01/10/2023	£103,875	Council Confirmed	12.0%	22.0%	£22,894	Benchmark Current Contract
East Lothian Council	YES	01/10/2023	£60,000	Council Confirmed	12.0%	7.2%	£4,332	Benchmark Current Contract
East Renfrewshire Council	YES	01/10/2023	£74,366	MI Confirmed	12.0%	18.9%	£14,063	Benchmark Current Contract
Edinburgh City Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Falkirk Council	YES	01/10/2023	£130,891	Council Confirmed	12.0%	17.5%	£22,906	Benchmark Current Contract
Fife Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Glasgow City Council	YES	01/10/2023	£600,000	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Highland Council	YES	01/10/2023	£60,000	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Inverclyde Council	YES	01/10/2023	TBC	MI Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Midlothian Council	YES	01/10/2023	£61,000	Council Confirmed	12.0%	31.2%	£19,056	Benchmark Current Contract
Moray Council	YES	01/10/2023	TBC	MI Confirmed	12.0%	TBC	TBC	Benchmark Current Contract
North Ayrshire Council	YES	N/A	£140,000	Council Confirmed	12.0%	-37.8%	-£52,906	Benchmark Current Contract
North Lanarkshire Council	YES	01/10/2023	£12,500	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Orkney Islands Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Perth & Kinross Council	YES	01/10/2023	£2,000	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
Renfrewshire Council	YES	01/10/2023	£111,415	Council Confirmed	12.0%	24.3%	£27,118	Benchmark Current Contract
Scottish Borders Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Shetland Islands Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
South Ayrshire Council	YES	01/10/2023	£76,212	MI Confirmed	12.0%	-7.3%	-£5,541	Benchmark Current Contract
South Lanarkshire Council	NO	N/A	-	Council Confirmed	12.0%	-	-	Benchmark Current Contract
Stirling Council	YES	01/12/2023	£45,000	Council Confirmed	12.0%	27.5%	£12,384	Benchmark Current Contract
Tayside Contracts	YES	01/10/2023	TBC	Council Confirmed	12.0%	TBC*	TBC	Benchmark Current Contract
West Dunbartonshire Council	YES	01/10/2023	£49,452	MI Confirmed	12.0%	-0.7%	-£356	Benchmark Current Contract
West Lothian Council	YES	01/12/2023	£138,843	Council Confirmed	12.0%	29.3%	£40,653	Benchmark Current Contract
<b>Totals</b>			<b>£1,927,099</b>			<b>4.3%</b>	<b>£83,725</b>	

\*TBC - Scotland Excel will work with councils who have provided estimated spend but no line-item data during mobilization to conduct a bespoke benchmarking exercise.

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>FRAMEWORK NAME</u>	<u>TENDERER LEGAL NAME</u>	<u>SME STATUS</u>	<u>REAL LIVING WAGE STATUS</u>	<u>LOCATION</u>	<u>OVERALL RECOMMENDATION STATUS</u>	<u>PLACING</u>	<u>TOTAL COMMERCIAL SCORE</u>	<u>TOTAL TECHNICAL SCORE</u>	<u>TOTAL SCORE</u>	<u>RECOMMENDED FOR AWARD</u>
Fresh Bread, Rolls & Bakery Products	George Anderson & Sons	Medium	1	Tranent	SUCCESSFUL	1	80.00	18.63	98.63	Y
Fresh Bread, Rolls & Bakery Products	Fergusons Bakers Limited	Medium	5	Kilmarnock	SUCCESSFUL	2	71.17	13.25	84.42	Y
Fresh Bread, Rolls & Bakery Products	D. McGhee and Sons Ltd	Medium	3	Glasgow	SUCCESSFUL	3	70.86	11.00	81.86	Y
Fresh Bread, Rolls & Bakery Products	Black of Dunoon (Bakers) Ltd	Small	3	Dunoon	SUCCESSFUL	4	63.64	14.75	78.39	Y

Note: a key for Real Living Wage Status Reference and Descriptions is included below.

**Key:** Real Living Wage Status Reference and Descriptions

<b>Real Living Wage Status Reference</b>	<b>Real Living Wage Status Description</b>
1	An accredited Living Wage Employer.
2	Currently going through the process of becoming an accredited Living Wage Employer.
3	Not an accredited Living Wage Employer but commit to gaining accreditation over the initial two-year contract period.
4	Not an accredited Living Wage Employer but pay the Living Wage to all employees (except volunteers, apprentices and interns).
5	Not an accredited Living Wage Employer and do not currently pay the Living Wage to all employees (except volunteers, apprentices and interns) but commit to paying the Living Wage to all employees within initial two-year contract period.
6	Not an accredited Living Wage Employer and do not currently pay the Living Wage to all employees.