

Scotland Excel

To: Executive Sub Committee

On: 23 March 2018

**Report
by
Director Scotland Excel**

Tender: Supply of Digital Publications and Services

Schedule: 25/17

Period: 1 February 2018 until 31 January 2020 (with the option to extend for up to two 1-year periods until 31 January 2022)

Effective date: 16 April 2018

1. Introduction and Background

This recommendation is for the award of Scotland Excel's first national collaborative framework for digital publications and services. It is proposed that the framework will operate from 1 February 2018 (with an effective date of 16 April 2018) until 31 January 2020 with an option to extend to 31 January 2022.

The bidders will be running a digital service on their own platform, allowing a service user the opportunity to access the digital material. As a result, Scotland Excel require participating Councils to accept the conditions on the running of the service and protection of copyright in the digital material. This is a new area for collaborative procurement and an example of the Councils' participation in the digital economy.

This framework will provide councils with a mechanism to procure a range of e-books, e-audiobooks, e-magazines and e-comics with the main users of the framework likely to be public libraries.

The report summarises the outcome of the procurement process for this national framework arrangement.

2. Scope, Participation and Spend

As part of the strategy development, the User Intelligence Group (UIG) endorsed the inclusion of four lots as summarised in Table 1.

Table 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	E-Books	45%
2	E-Audiobooks	25%
3	E-Magazines	15%
4	E-Comics	15%

This lotting structure recognises the current landscape of the market place, and is designed to align with council requirements. The lotting strategy continues to maximise opportunities for SMEs.

The framework was advertised to enable access by all 32 councils in Scotland as well as Scotland Excel associate members including the Advanced Procurement for Universities and Colleges (APUC) and National Health Service Scotland (NHSS).

Following engagement with the UIG, the framework was advertised at £1 million per annum. It should be noted however that no guarantee is given of any business or any level of business under the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on 20 May 2017 resulting in expressions of interest from 39 companies. Market engagement led to 6 supplier meetings, which helped inform the delivery strategy in areas such as ability to service, market trends and community benefits.

The User Intelligence Group (UIG), consisting of procurement and technical representatives from the participating councils, endorsed the procurement strategy on 23 May 2017. A working group of technical representatives from the councils was formed to review the technical criteria to adopt during the tender process. This group also played an integral role in evaluating technical responses from bidders.

To ensure maximum competition, the UIG agreed that an open tender process should be used and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 6 November 2017. The tender process was conducted using the Public Contracts Scotland Tender system (PCS-T).

The procurement process followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD). Within the ESPD, tenderers are required to answer several exclusionary questions along with questions on insurance, financial standing, quality management, health and safety and environmental management.

At the second stage of the process offers were evaluated against the following criteria and weightings:

- Technical 60%
- Commercial 40%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to technical questions, which included areas such as supplier platform operation, functionality and settings, support options, stock range and methods of access. In addition to these questions, bidders were also asked about fair work practices and what commitments they would make in respect of community benefits.

Within the commercial section, bidders were invited to offer on a lot by lot basis, a net price for titles of their books as well as a range of other elements including set up and servicing fees, annual hosting fees and annual maintenance charges.

4. Report on Offers Received

The tender document was downloaded by 22 organisations, with 7 tender responses received.

A summary of all offers received is provided in Appendix 1.

All bidders passed the first stage assessment. However, a supplier was non-compliant with the second stage commercial assessment as they failed to provide pricing for any of the elements listed.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. Appendix 2 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the criteria and weightings set out above, it is recommended that a framework agreement is awarded to 5 suppliers across the 4 lots as outlined in Appendix 2.

The 5 recommended suppliers provide the choice, scope and range of digital publications and services required by councils as well as representing best value and providing geographical coverage. These 5 suppliers also represent a mix of small, medium and large organisations, with 3 of the recommended suppliers classified as SMEs.

6. Benefits

Savings

As this is a first collaborative national framework in this area for Scotland Excel, an analysis was carried out on efficiencies that could be obtained based on a previous council procurement exercise. This analysis has seen up to an 11% reduction on the average cost of titles, reduction in annual maintenance charge of up to 25% and no charge for some recommended suppliers on set up and

servicing costs where there had been a cost on the council procurement exercise.

Price Stability

As previously stated bidders offered a price for titles of their books and other software elements. The recommended bidders have agreed to hold their pricing for the first two years of the framework.

Sustainable Procurement Benefits

As the framework is service based there are no physical deliveries into council establishments and public libraries therefore creating a saving on CO₂ emissions. As the books, magazines and comics are available online this also prevents any packaging having to be created and then recycled.

Community Benefits

Bidders were asked to detail community benefit initiatives that they would commit to deliver during the life of the framework in line with the Scottish Government's National Outcomes.

Responses received included:

- National Outcome B – We realise our full economic potential with more and better employment opportunities for our people
 - Regular training on systems for staff as well as sessions for members of the public
- National Outcome D – Our young people are successful learners, confident individuals, effective contributors and responsible citizens
 - Sponsor library events with device giveaways to encourage young readers
- National Outcome E – Our children have the best start in life and are ready to succeed
 - Author visits for school children at local libraries
- National Outcome G – We have tackled the significant inequalities in Scottish society
 - Create special collections of books to encourage those who find it difficult to engage with books.
 - Provide content support for CV writing and digital skills.
- National Outcome H – We have improved the life chances for children, young people and families at risk
 - Donations of books for children and young people.
- National Outcome P – Our public services are high quality, continually improving, efficient and responsive to local people's needs
 - Free content provided for national events e.g. Scottish Book Week.

Scotland Excel will support delivery of these commitments during the lifetime of the framework and this will also be reported through ongoing contract management. Results reported on community benefits will be disseminated to councils on a six-monthly basis.

Fair Work Practices

Bidders were scored on how they will engage in fair work practices for staff employed in the delivery of this framework. This included reviewing bidders' practices on how they avoid exploitative employment practices and improve the diversity of their staff. In addition, bidders were also asked for details on what training they provided for their staff, as well as how they proactively engage with them to promote empowerment so that they can fulfil their potential. All bidders stated that they offered development programmes for their staff, which included training and courses that looked to enhance their skills and advance their careers.

For information, bidders were also asked to confirm their approach to fair work practices and the Scottish Living Wage. Of the 5 recommended suppliers:

- 4 pay the Scottish Living Wage or above to all employees (except volunteers, apprentices and interns), 1 of which is an accredited Scottish Living Wage supplier; and
- 1 further supplier has agreed to provide this same commitment to payment of the Scottish Living Wage within the initial two-year period of the Framework Contract.

Scotland Excel will continue to monitor Fair Work Practices including the Scottish Living Wage within its contract and supplier management programme. Scotland Excel will work with all awarded suppliers who do not yet pay the Living Wage Foundation to encourage them to achieve this.

7. Contract Mobilisation and Management

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 3 arrangement in terms of both risk and spend requiring as a minimum, annual supplier meetings. The UIG will be convened on a regular basis throughout the framework period.

8. Summary

This framework for supply of digital publications and services aims 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 to the suppliers as detailed in Appendix 2.

Appendix 1 - SME Status

Company Name	SME Status	Location	Lots Offered
Askews and Holts Library Services Ltd	Medium	Preston	1
Bolinda UK Ltd	Small	Newbury	1 and 2
EBSCO International Inc	Large	Hertfordshire	3
OverDrive Inc	Large	Cleveland, Ohio	1 and 2
Oxford University Press	Large	Oxford	1
Ulverscroft Large Print Books Ltd	Medium	Anstey, Leicestershire	1 and 2
W F Howes Ltd	Medium	Rearsby , Leicestershire	1-4

Appendix 2 - Scoring and Recommendations (Asterisk (*) denotes recommended supplier)

Lot 1 - E-Books	
Bidder	Final Score
W F Howes Ltd*	83.25
OverDrive Inc*	64.75
Ulverscroft Large Print Books Ltd*	63.50
Bolinda UK Ltd*	40.30
Askews and Holts Library Services Ltd	26.53

Lot 2 - E-Audiobooks	
Bidder	Final Score
W F Howes Ltd*	82.15
OverDrive Inc*	69.94
Ulverscroft Large Print Books Ltd*	66.38
Bolinda UK Ltd*	40.58

Lot 3 - E-Magazines	
Bidder	Final Score
EBSCO International Inc*	75.31
W F Howes Ltd*	45.95

Lot 4 - E-Comics	
Bidder	Final Score
W F Howes Ltd*	83.25