

## **Scotland Excel**

**To: Executive Sub-Committee**

**On: 21 June 2024**

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

**Tender: Supply and Delivery of Waste Disposal Equipment**

**Schedule: 0923**

**Period: 48 months**

### **1. Introduction and Background**

This recommendation is for the award of a fourth-generation renewal framework for Supply and Delivery of Waste Disposal Equipment.

The framework will provide a mechanism to procure a wide range of waste disposal equipment, including, but not limited to, large containers, skips, compactors, balers, and roll packers. The end users of this framework are likely to be the Waste and/or Environment Departments within councils.

The framework will be for a period of 48 months from the commencement date as advertised in the published tender documents. Subject to approval and completion of a standstill period, the framework is intended to commence in July 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**

This framework was developed in conjunction with procurement professionals and operational stakeholders from local authorities to provide sufficient product lists, and suitable terms and conditions enabling local authorities to make direct awards and conduct mini competitions via this framework.

As part of the strategy development and through consultation with the User Intelligence Group (UIG), the inclusion of four lots was endorsed as shown in Table 1. The scope of this lot structure has remained as per the current framework, as this meets the needs of the local authorities.

**Table 1: Framework Structure**

<b>Lot Number</b>	<b>Description</b>	<b>Estimated % Spend through Lot</b>
1	Skips and Containers	60
2	Compactors	15
3	Balers	5
4	Roll Packers	20

As detailed in Appendix 1, 29 councils have confirmed their intention to participate in this framework, with all councils being named on the advertised contact notice. Associate members, including NHS and APUC were also named, as they indicated their intention to participate on this framework.

The framework was advertised at £1 million per annum, which is an estimated spend of £4 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.

### **3. Procurement Process**

A Prior Information Notice (PIN) was published for this framework opportunity on 11 September 2023, which resulted in expressions of interest from 26 tenderers.

Thereafter, the Contract Notice was published via the Find a Tender and Public Contract Scotland (PCS) portal on the 15 April 2024, 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.

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/were to be identified following completion of the evaluation in accordance with the requirements set down within the tender documents. The intention was to appoint a sufficient number of tenderers on each lot of the framework to meet the varied requirements of Councils.

The tender followed a two-stage tendering procedure undertaken concurrently. 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 award criteria applying the weightings outlined in Table 2.

**Table 2: Evaluation Criteria / Weightings**

Award Criteria	Total Available Scores
Commercial Section	80
Technical Section	20

Within the technical section, tenderers were required to evidence their knowledge and experience by responding to technical questions and method statements, as detailed in Table 3.

**Table 3: Method Statement Scoring**

Question	Award Criteria Points (All Lots)	Sub Criteria		Scoring Methodology
<b>Method Statements</b>	<b>14</b>			
<b>Method Statement 1 – Support Services and Spare Parts Management (All Lots)</b>		5		
Pre and Post Sales Support			3	5 Point Methodology
Spare Parts			2	5 Point Methodology
<b>Method Statement 2 – Sustainability and Environment (All Lots)</b>		9		
Sustainable Supply Chain			3	5 Point Methodology
Repurchase/disposing council old product			3	5 Point Methodology
Carbon Footprint and Waste Reduction			3	5 Point Methodology
Net Zero Policy			0	Not Scored
<b>Community Benefits</b>	<b>3</b>			<b>Yes/No</b>
<b>Workforce Matters</b>	<b>3</b>			
Fair Work First			3	5 Point Methodology
Living Wage			0	Not Scored

Within the commercial section, tenderers were invited to offer on a lot by lot, item by item basis and provide unit list prices against each item. In addition, a full load delivery price was requested for each council area.

Within the Technical and Commercial Sections Tenderers were also asked to respond to a number of non-scored questions that had important contractual effects. This included confirming their ability to service, where they could opt to service one, some or all council areas.

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 23 tenderers, with 10 tender responses received by the specified closing date and time. However, it should be noted that 1 tenderer submitted a non-compliant bid as no commercial submission was available for evaluation. The tenderer was notified that Scotland Excel had concluded that the bid was non-compliant.

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-tenderer framework arrangement is awarded to 9 tenderers as outlined in Appendix 2.

These 9 recommended tenderers offer best value and represent a mix of micro, small, medium and large organisations.

The range of tenderers recommended provides coverage and competitive options for all participating bodies as well as offering a degree of choice and capacity across the full range of product required in the tender.

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

#### **6. Benefits**

##### **Savings**

Scotland Excel carried out a benchmarking exercise to compare the prices offered for lot 1, (60% of spend), for the list of items detailed.

This benchmarking exercise took the current best prices for each item and compared these with the best pricing submitted for these same items within the renewal framework, considering which tenderers have agreed to service each council.

Given current market conditions and analysis including our indexation model, it was anticipated that an increase was likely, and benchmarking has confirmed an average increase of around 8%. This is representative of the ongoing challenging market conditions faced by tenderers over the course of the last few years, with the volatile pricing of steel and diesel.

Analysis of our Indexation model, which predicts framework performance against market movement, demonstrates that our previous framework pricing was

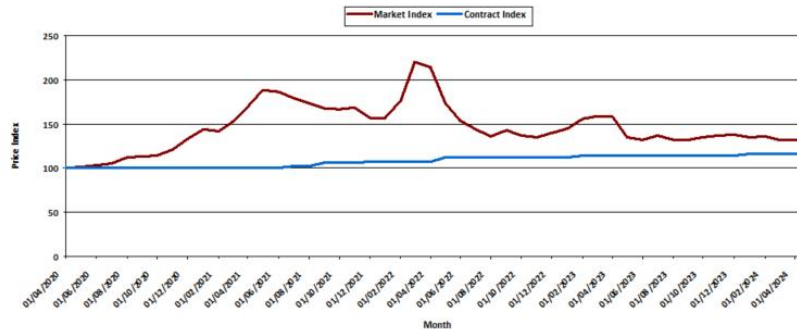
approx. 10% below the market, as demonstrated in Figure 1 below. When this is considered with the 8% increase, it is forecast that there will an average of 2% cost avoidance against current market pricing.

### Indexation Report - Waste Disposal Equipment



Schedule No: 1419  
 Contract Title: Waste Disposal Equipment  
 Contract Manager: Lesley Holmes  
 Start Date: 01/04/2020

Index	Type	Index Weighting (%)
Steel - HRB	Specific	50
Producer Price Index	Standard	40
Road Fuel - Diesel	Standard	10



**Notes:**

The Contract Index tracks the general movement in contract prices 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 - 29/05/2024

Figure 1: Waste Disposal Equipment Indexation Report

Scotland Excel included a question on cost drivers within the technical envelope. This will allow a review to be undertaken of the indexation model to ensure that the market indices being monitored remain correct and relevant, as well as ensuring that the index weighting is appropriate based on council spend patterns.

Scotland Excel will continue to work with successful tenderers at mobilisation stage to ensure the best indices are monitored in relation to these products.

This framework also provides a benefit from the efficiencies achieved through working collaboratively. With 29 local authorities indicating their intention to use this framework, the efficiencies based on employment time in the purchasing organisation is set out by the Scottish Government at £12,500 for this type of tender. This does not take account of the efficiencies achieved by NHS, APUC or associate members.

Table 4 below summarises the benefits of this exercise to our members, in accordance with the [Scottish Government procurement benefits reporting guidance](#).

**Table 4: Savings Summary**

Reference	Type	Reportable Outcome
BT1	Direct price-based savings	£0
BT2	Price versus market savings	2%
BT3	Process savings from use of collaborative arrangements	£362,500

### **Price Stability**

All recommended tenderers have agreed to the 6-month fixed price period at the start of the framework. Provision thereafter is for price reviews once per 3-month period to accommodate market fluctuations – particularly caused by the price of steel. All requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

Tenderers may submit a price decrease at any time throughout the duration of the framework.

### **Rebate**

A rebate of 0.75% payable to Scotland Excel will be applied to framework spend above £100,000 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 questions related to:

- the ability to demonstrate that materials come from sustainable, reliable and approved routes.
- Demonstrate what methods are used to ensure that the supply chain does not adversely affect the environment.
- fleet / vehicle environmental standards used to carry out their day-to-day business activities and deliveries.
- activities undertaken to minimise the carbon footprint and increase waste reduction for call offs under the framework.
- materials waste prevention.
- an organisation's policy to achieve Net Zero.

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

- Commitments to using more recycled steel within the manufacturing process.
- Use of green hydrogen and wind farms for energy at manufacturing sites
- Conversion of compactors and roll packers to all electric and move away from diesel and incorporating low energy motors.
- Commitments to assist in removing and disposing of old product.
- Conversion of fleet of vehicles to a combination of electric and fuel-efficient engines.
- Upgrading of painting facility to use fewer toxic paints and reduce wastage.

## **Community Benefits**

Scotland Excel is committed to maximising community benefits delivery for members. Tenderers 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 tenderers, all but 1 have committed to delivering these benefits. Scotland Excel will continue to engage with all appointed tenderers to drive maximum delivery of community benefits where appropriate.

Within the published tender documents, tenderers 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 (Staff volunteering to local good causes)
- 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)
- Supply Chain Development
- Donation of materials and/or labour
- Sponsorship (Local sports team or community event)
- Recruitment (within local authority 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.

## **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, tenderers were assessed on their approach to Fair Work First and payment of the Real Living Wage to their workforce. Of the 9 recommended tenderers, 8 pay the Real Living Wage with 2 being accredited Real Living Wage employers and 2 in the process of being accredited Real Living Wage employers, as detailed in Appendix 2 – Scoring and Recommendations. The 1 recommended tenderer, Personnel Hygiene Services Limited, who do not currently pay the Real Living Wage, has confirmed that they pay above the National Living Wage to all staff with 60% of employees being paid above the Living Wage Foundation rate. This tenderer has stated that they are committed to paying the Real Living wage to all employees within the next 2 to 3 years.

Scotland Excel will continue to monitor Fair Work First, including the Real Living Wage status through our contract and supplier management activity.

## **7. Contract Mobilisation and Management**

As part of the mobilisation process all successful tenderers will be invited to a contract mobilisation session to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Tenderers 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 E. As such, it will require annual supplier contact, annual surveys and annual user group reviews as appropriate.

## **8. Summary**

This new framework for the Supply and Delivery of Waste Disposal Equipment aims to maximise collaboration, support councils' environment departments to deliver the various services they provide for recycling and deliver best value. A range of benefits can be reported in relation to best value, 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  
0923 Supply and Delivery of Waste Disposal Equipment**

Council Name	Participating 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	No	N/A	£0	No previous spend or projected spend to provide	10.0%	-8.0%	£0	Benchmarked on Current Contract
Aberdeenshire Council	Yes	Start	£70,563	Council provided 4 year projection	10.0%	-8.0%	-£1,411	Benchmarked on Current Contract
Angus Council	Yes	Start	£25,590	MI verified	10.0%	-8.0%	-£512	Benchmarked on Current Contract
Argyll and Bute Council	Yes	Start	£6,250	Council provided 4 year projection	10.0%	-8.0%	-£125	Benchmarked on Current Contract
City of Edinburgh Council	No	N/A	£0	No previous spend or projected spend to provide	10.0%	-8.0%	£0	Benchmarked on Current Contract
Clackmannanshire Council	Yes	Start	£0	Zero spend to date but still want to participate	10.0%	-8.0%	£0	Benchmarked on Current Contract
Comhairle nan Eilean Siar	Yes	Start	£20,000	Council verified estimated annual spend	10.0%	-8.0%	-£400	Benchmarked on Current Contract
Dumfries and Galloway Council	Yes	Start	£5,371	MI verified	10.0%	-8.0%	-£107	Benchmarked on Current Contract
Dundee City Council	Yes	Start	£28,119	MI verified	10.0%	-8.0%	-£562	Benchmarked on Current Contract
East Ayrshire Council	No	N/A	£0	Council has their own contract	-	-	-	-
East Dunbartonshire Council	Yes	Start	£33,181	MI verified	10.0%	-8.0%	-£664	Benchmarked on Current Contract
East Lothian Council	Yes	Start	£36,197	MI verified	10.0%	-8.0%	-£724	Benchmarked on Current Contract
East Renfrewshire Council	Yes	Start	£0	Zero spend to date but still want to participate	10.0%	-8.0%	£0	Benchmarked on Current Contract
Falkirk Council	Yes	Start	£25,000	Council provided 4 year projection	10.0%	-8.0%	-£500	Benchmarked on Current Contract
Fife Council	Yes	Start	£0	Zero spend to date but still want to participate	10.0%	-8.0%	£0	Benchmarked on Current Contract
Glasgow City Council	Yes	Start	£0	MI verified	10.0%	-8.0%	£0	Benchmarked on Current Contract
Highland Council	Yes	Start	£100,456	MI verified	10.0%	-8.0%	-£2,009	Benchmarked on Current Contract
Inverclyde Council	Yes	Start	£12,000	Council verified estimated annual spend	10.0%	-8.0%	-£240	Benchmarked on Current Contract
Midlothian Council	Yes	Start	£0	Zero spend to date but still want to participate	10.0%	-8.0%	£0	Benchmarked on Current Contract
Moray Council	Yes	Start	£9,852	MI verified	10.0%	-8.0%	-£197	Benchmarked on Current Contract
North Ayrshire Council	Yes	Start	£50,000	Council verified estimated annual spend	10.0%	-8.0%	-£1,000	Benchmarked on Current Contract
North Lanarkshire Council	Yes	Start	£34,148	MI verified	10.0%	-8.0%	-£683	Benchmarked on Current Contract
Orkney Islands Council	Yes	Start	£45,625	Council provided 4 year projection	10.0%	-8.0%	-£913	Benchmarked on Current Contract
Perth and Kinross Council	Yes	Start	£90,000	Council verified estimated annual spend	10.0%	-8.0%	-£1,800	Benchmarked on Current Contract
Renfrewshire Council	Yes	Start	£35,301	MI verified	10.0%	-8.0%	-£706	Benchmarked on Current Contract
Scottish Borders Council	Yes	Start	£25,668	MI verified	10.0%	-8.0%	-£513	Benchmarked on Current Contract
Shetland Islands Council	Yes	Start	£19,287	MI verified	10.0%	-8.0%	-£386	Benchmarked on Current Contract
South Ayrshire Council	Yes	Start	£4,690	MI verified	10.0%	-8.0%	-£94	Benchmarked on Current Contract
South Lanarkshire Council	Yes	Start	£9,200	MI verified	10.0%	-8.0%	-£184	Benchmarked on Current Contract
Stirling Council	Yes	Start	£40,000	Council verified estimated annual spend	10.0%	-8.0%	-£800	Benchmarked on Current Contract
Tayside Contracts	No	N/A	-	-	-	-	-	-
West Dunbartonshire Council	Yes	Start	£30,246	MI verified	10.0%	-8.0%	-£605	Benchmarked on Current Contract
West Lothian Council	Yes	Start	£13,608	MI verified	10.0%	-8.0%	-£272	Benchmarked on Current Contract
<b>Total</b>			<b>£770,352</b>					

## Appendix 2 – Scoring and Recommendations

<u>LOT NUMBER</u>	<u>LOT NAME</u>	<u>TENDERER NAME</u>	<u>SME STATUS</u>	<u>REAL LIVING WAGE STATUS</u>	<u>LOCATION</u>	<u>NUMBER OF LOTS BID FOR</u>	<u>NUMBER OF LOTS RECOMMENDED</u>	<u>OVERALL RECOMMENDATION STATUS</u>	<u>TOTAL COMMERCIAL SCORE</u>	<u>TOTAL TECHNICAL SCORE</u>	<u>TOTAL SCORE</u>	<u>PLACING</u>	<u>RECOMMENDED FOR AWARD FOR LOT</u>
1	Skips and Containers	G J F Fabrications Ltd	Medium	Option 5	West Midlands	1	1	SUCCESSFUL	70.58	14.25	84.83	1	Y
1	Skips and Containers	ACM Environmental Limited	Medium	Option 1	Waltham Abbey	4	4	SUCCESSFUL	71.68	12.00	83.68	2	Y
1	Skips and Containers	Skip Units Limited	Small	Option 5	Derby	1	1	SUCCESSFUL	71.83	11.50	83.33	3	Y
1	Skips and Containers	Glasgow Waste Containers Limited	Micro	Option 3	Coatbridge	1	1	SUCCESSFUL	70.16	7.50	77.66	4	Y
1	Skips and Containers	JS Burgess Engineering Limited	Medium	Option 3	Whaley Bridge	1	1	SUCCESSFUL	66.48	9.50	75.98	5	Y
1	Skips and Containers	Rosswywendy Limited	Micro	Option 2	Aberdeen	4	0	UNSUCCESSFUL	N/C	N/C	N/C	N/C	N
2	Compactors	Bergmann Direct Limited	Small	Option 5	Lincoln	2	2	SUCCESSFUL	75.29	18.50	93.79	1	Y
2	Compactors	Grade-All International Ltd	Small	Option 1	Dungannon	2	2	SUCCESSFUL	65.36	15.75	81.11	2	Y
2	Compactors	ACM Environmental Limited	Medium	Option 1	Waltham Abbey	4	4	SUCCESSFUL	67.20	12.00	79.20	3	Y
2	Compactors	Personnel Hygiene Services Limited	Large	Option 7	Tamworth	3	3	SUCCESSFUL	52.53	18.00	70.53	4	Y
2	Compactors	Rosswywendy Limited	Micro	Option 2	Aberdeen	4	0	UNSUCCESSFUL	N/C	N/C	N/C	N/C	N
3	Balers	ACM Environmental Limited	Medium	Option 1	Waltham Abbey	4	4	SUCCESSFUL	79.23	12.00	91.23	1	Y
3	Balers	Blue Machinery (Scotland) Ltd	Small	Option 5	Stirling	1	1	SUCCESSFUL	77.92	8.25	86.17	2	Y
3	Balers	Personnel Hygiene Services Limited	Large	Option 7	Tamworth	3	3	SUCCESSFUL	48.96	18.00	66.96	3	Y
3	Balers	Grade-All International Ltd	Small	Option 1	Dungannon	2	2	SUCCESSFUL	46.94	15.75	62.69	4	Y
3	Balers	Rosswywendy Limited	Micro	Option 2	Aberdeen	4	0	UNSUCCESSFUL	N/C	N/C	N/C	N/C	N
4	Roll Packers	Bergmann Direct Limited	Small	Option 5	Lincoln	2	2	SUCCESSFUL	78.54	18.50	97.04	1	Y
4	Roll Packers	ACM Environmental Limited	Medium	Option 1	Waltham Abbey	4	4	SUCCESSFUL	60.59	12.00	72.59	2	Y
4	Roll Packers	Personnel Hygiene Services Limited	Large	Option 7	Tamworth	3	3	SUCCESSFUL	36.82	18.00	54.82	3	Y
4	Roll Packers	Rosswywendy Limited	Micro	Option 2	Aberdeen	4	0	UNSUCCESSFUL	N/C	N/C	N/C	N/C	N

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	I am an accredited Real Living Wage Employer and commit to maintaining this for the duration of the Framework Contract.
2	I am currently going through the process of becoming an accredited Real Living Wage Employer and commit to gaining accreditation over the initial two year period of the Framework Contract. I currently pay the Real Living Wage to all employees (except volunteers, apprentices and interns).
3	I am not an accredited Real Living Wage Employer but commit to gaining accreditation over the initial two year period of the Framework Contract. I currently pay the Real Living Wage to all employees (except volunteers, apprentices and interns) and commit to maintaining this until I have gained accreditation.
4	I am not an accredited Real Living Wage Employer but commit to gaining accreditation over the initial two year period of the Framework Contract. I do not currently pay the Real Living Wage to all employees.
5	I am not an accredited Real Living Wage Employer but pay the Real Living Wage to all employees (except volunteers, apprentices and interns) and commit to maintaining this for the duration of the Framework Contract.
6	I am not an accredited Real Living Wage Employer and do not currently pay the Real Living Wage to all employees but commit to paying the Real Living Wage to all employees (except volunteers, apprentices and interns) within the first two years of the Framework Contract.
7	I am not an accredited Real Living Wage Employer and do not currently pay the Real Living Wage to all employees.