

Scotland Excel

To: Executive Sub-Committee

On: 17 September 2021

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

Tender: Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems

Schedule: 05/20

Period: 20 September 2021 until 19 September 2025

1. Introduction and Background

This recommendation is for the award of the second-generation framework for the Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems.

This proposed framework was advertised for the period from 20 September 2021 to 19 September 2025. It is intended to commence on 19 October 2021.

This framework will provide local authorities and other participating bodies with a mechanism to procure a complete solution for Online School Payments, Cashless Catering, Kitchen Management and Nutritional Analysis Systems permitting the award of Call-offs under the framework by way of a mini-competition.

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. This lot structure is an extension of the previous framework, with the addition of Cashless Catering, Kitchen Management Systems, and a Nutritional Analysis system. This continues to represent the council and other participating member requirements, whilst also recognising the structure of the marketplace.

Table 1: Lotting Structure

| Lot No. | Description | Estimated % Spend through lot |
|----------------|-----------------------------|--------------------------------------|
| 1 | Online School Payments | 45% |
| 2 | Cashless Catering System | 45% |
| 3 | Kitchen Management System | 5% |
| 4 | Nutritional Analysis System | 5% |

As detailed in Appendix 1, 29 councils plus Tayside Contracts have confirmed their intention to participate in this framework. Whilst every Council is entitled to participate in the framework, North Ayrshire Council, East Ayrshire Council & Edinburgh City Council, are not intending to participate in this framework and have their own arrangements in place.

The forecast annual spend for participating councils and associate members, with contingency, is £1 million per annum, equating to an estimated £4 million over the full 4-year term of the framework.

3. Procurement Process

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 18 November 2020. In addition, a working group consisting of technical and procurement representatives was formed to review technical specifications and participate in the evaluation.

Scotland Excel has taken cognisance of the current situation and impact during the tender exercise of the Corona virus outbreak. Balancing the current situation with the need to provide a route to market for councils seeking the continuation of supply of the services within the scope of this framework and considering those council projects that may require to be undertaken in the future, Scotland Excel determined it was appropriate to undertake this renewal tender exercise and to recommend the establishment of this framework.

A Prior Information Notice without a call for competition (PIN) was published on 26 February 2020, which resulted in expressions of interest from 33 organisations. Suppliers were given the opportunity to provide Scotland Excel with information in relation to, but not limited to; market intelligence, market trends, sustainability initiatives and community benefits to help inform the strategy.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 17 June 2021, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system.

This tender exercise commenced after the UK withdrawal from the European Union and was conducted and concluded in accordance with the law and procedures in force at that time.

The procurement process followed the open tender process to ensure maximum competition and the inclusion for all potential suppliers to service the framework. All bidders were examined against selection criteria, using the Single Procurement Document (SPD) and award criteria, concurrently. The award criteria included technical and commercial sections that were evaluated against the following criteria and weightings:

Technical: 70%

Commercial: 30%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including: the delivery of the solution detailing the implementation plan, supporting the solution from help desks, maintenance and upgrades and a full exit management process. Bidders were also assessed in terms of their ability to meet essential and desirable technical characteristics, climate emergency and sustainability, community benefits and fair work practices. These are detailed below within Table 2.

Table 2: Technical Section Weighting

| Question | Description | Weighting |
|--------------------|-------------------------------------|-----------|
| 1 | Delivery of the Solution | 20 |
| 2 | Supporting the Solution | 20 |
| 3 | Off Boarding & Exit Management | 10 |
| 4 | Essential Technical Characteristics | Pass/Fail |
| 5 | Desirable Technical Characteristics | 8 |
| 6 | Community Benefits | 4 |
| 7 | Fair Work Practices | 4 |
| 8 | Climate Emergency & Sustainability | 4 |
| Total Score | | 70 |

Within the commercial section, bidders were invited to offer on a lot-by-lot basis. Fixed pricing for 48 months was required for all lots. Bidders were also invited to specify if they would offer any early settlement discount (to encourage prompt payment).

4. Report on Offers Received

The tender document was downloaded by 14 organisations, with 5 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 the compliant offers received was completed. Appendix 3 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 multi-supplier framework arrangement is awarded to 5 suppliers across the four lots as outlined in Appendix 3.

These 5 recommended suppliers offer best value and represent a mix of small, medium, and large organisations. Four suppliers are classed as SME's, and one is a Scottish supplier.

The range of suppliers recommended provides coverage for the provision of Online School Payments, Cashless Catering and Kitchen Management Systems along with Nutritional Analysis Systems to be used on school campuses along with the ability to service any pop-up catering facilities by any participating member. The ability to service pop-up catering is an added value that extends the framework to, but not limited to, Leisure Organisations, Town Halls and Corporate Events looking for cashless solutions and Nutritional labeling for products.

6. Benefits

Savings

It was concluded by the UIG that benchmarking would not be possible on this framework at the outset as it incorporates both new elements and an expansion of the original online school meal payment system. The previous framework service offering was therefore a subset of this expanded scope, and as such pricing comparison is difficult to reconcile.

Price Stability

Fixed pricing for all four lots applies throughout the lifetime of the framework.

Sustainable Procurement Benefits

Within the technical section of the tender, a sustainability method statement assessed suppliers in relation to their corporate approach to sustainability and the climate emergency with regard to their carbon reduction plans, how they promote recycle, reuse and reduce to minimise the impact of their supply chain on the environment. A range of sustainable measures were outlined by suppliers including:

- Focus on paperless office and removal of plastics from canteen facilities.
- Transitioning to green and renewable energy supply coupled with replacing all lighting to LED.
- Encourage use of public transport wherever possible.
- Specific policies to target carbon neutrality expedited to 2030.
- Recycling of all general waste and setting internal carbon fees on managers linking to pay and performance – teams are internally charged for their emissions.

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for our members. Tenderers were asked to confirm whether they were willing to comply with our community benefits approach for the lifetime of the framework. This approach is designed to deliver local community benefits based on individual member spend thresholds and all 5 recommended suppliers have confirmed their acceptance.

The community benefits approach focused on supporting the Scottish Government's National Performance Framework, and the benefits delivered should support, but are not limited to, the following indicators:

- Improve the skill profile of the population
- Reduce Scotland's carbon footprint
- Reduce waste generated

Suppliers have agreed to report ongoing delivery of community benefits to Scotland Excel on a six-monthly basis.

Delivery of commitments made will be monitored throughout the lifetime of the framework.

Fair Work Practices 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, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 5 recommended bidders, 5 pay the Real Living Wage, as detailed in Appendix 4 - List of Recommended Suppliers with Living Wage Status.

Scotland Excel will continue to monitor Fair Work Practices including the Real Living Wage status during contract and supplier management.

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 will be invited to demonstrate their ability to meet all technical characteristics for all lots bid for and this demonstration will be recorded for access by any participating member. Both 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 supplier and 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 services for our members.

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

8. Summary

This second-generation framework for the Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems continues to maximise collaboration, facilitate the procurement of an integrated solution for a cashless society, promotes added value and delivers best value in terms of price, quality and service.

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

Appendix 1 –Participation & Spend Summary –Online School Payments, cashless Catering and Kitchen Management & Nutritional Systems 0520

| COUNCIL | PARTICIPATION STATUS | PARTICIPATION ENTRY DATE | ESTIMATED ANNUAL SPEND * | SOURCE OF SPEND DATA |
|-----------------------------|----------------------|--------------------------|--------------------------|----------------------|
| ABERDEEN CITY COUNCIL | Yes | TBD/2022 | £50,000 | Council |
| ABERDEENSHIRE COUNCIL | Yes | 2022 | £40,000 | MI Data |
| ANGUS COUNCIL | Yes | Summer 2021 | £60,000 | Council |
| ARGYLL & BUTE COUNCIL | Yes | Jan 2022 | £50,000 | Council |
| CITY OF EDINBURGH COUNCIL | No | n/a | n/a | Council |
| CLACKMANNANSHIRE COUNCIL | Yes | 2021 | £20,000 | Council |
| COMHAIRLE NAN EILEAN SIAR | Yes | Late 2021/Early 2022 | £100,000 | Council |
| DUMFRIES & GALLOWAY COUNCIL | Yes | Contract Start | £150,000 | Council |
| DUNDEE CITY COUNCIL | Yes | TBD | £40,000 | MI Data |
| EAST AYRSHIRE COUNCIL | No | n/a | n/a | MI Data |
| EAST DUNBARTONSHIRE COUNCIL | Yes | TBD | To Confirm | Council |
| EAST LOTHIAN COUNCIL | Yes | TBD | £16,000 | Council |
| EAST RENFREWSHIRE COUNCIL | Yes | Contract Start | £40,000 | MI Data |
| FALKIRK COUNCIL | Yes | TBD | To Confirm | Council |
| FIFE COUNCIL | Yes | 2023/2024 | To Confirm | Council |
| GLASGOW CITY COUNCIL | Yes | TBD | To Confirm | Council |
| HIGHLAND COUNCIL | Yes | TBD | To Confirm | Council |
| INVERCLYDE COUNCIL | Yes | Late 2021 | £25,000 | MI Data |
| MIDLOTHIAN COUNCIL | Yes | 2022 | £30,000 | MI Data |
| MORAY COUNCIL | Yes | TBD | £20,000 | MI Data |
| NORTH AYRSHIRE COUNCIL | No | n/a | n/a | Council |
| NORTH LANARKSHIRE COUNCIL | Yes | Feb 2022 | £400,000 | Council |
| ORKNEY ISLANDS COUNCIL | Yes | TBD | To Confirm | Council |
| PERTH & KINROSS COUNCIL | Yes | March 2022 | £36,000 | MI Data |
| RENFREWSHIRE COUNCIL | Yes | 2022 | £150,000 | Council |
| SCOTTISH BORDERS COUNCIL | Yes | July 2021 | £65,000 | Council |
| SHETLAND ISLANDS COUNCIL | Yes | Contract Start | £5,000 | Council |
| SOUTH AYRSHIRE COUNCIL | Yes | Contract Start | To Confirm | Council |
| SOUTH LANARKSHIRE COUNCIL | Yes | May 2022 | £50,000 | Council |
| STIRLING COUNCIL | Yes | TBD | £20,000 | Council |
| WEST DUNBARTONSHIRE COUNCIL | Yes | TBD | £5,000 | Council |
| WEST LOTHIAN COUNCIL | Yes | TBD | £105,000 | Council |
| TAYSIDE CONTRACTS | Yes | Contract Start | To Confirm | |
| ASSOCIATE MEMBER | Yes | Contract Start | To Confirm | |

*Provisional spend data – will be subject to ongoing clarification.

Appendix 2 – Summary of Offers Received

| Name of Tenderer | SME Status | Location | Lot(s) Tendered | Lot(s) Awarded |
|------------------------------------|------------|------------------------|--------------------|-------------------|
| Civica UK Limited | Large | London | 1,2,3,4 | 1,2,3,4 |
| Cash Registers (Buccleuch) Limited | Medium | Edinburgh | 1,2,4 | 1,2,4 |
| Nutritics Limited | Medium | Dublin | 4 | 4 |
| Parentpay Limited | Medium | London | 1,2,3,4 | 1,2,3 |
| SF Software Limited | Small | Newcastle Upon Tyne | 2 | 2 |

Appendix 3 - Scoring and Recommendations

| LOT 1 – ONLINE SCHOOL PAYMENTS | | |
|------------------------------------|-------|------------------|
| Tenderer | SCORE | Awarded (Yes/No) |
| Cash Registers (Buccleuch) Limited | 92.00 | Yes |
| Parentpay Limited | 87.70 | Yes |
| Civica UK Limited | 74.30 | Yes |

| LOT 2 – CASHLESS CATERING SYSTEM | | |
|------------------------------------|-------|------------------|
| Tenderer | SCORE | Awarded (Yes/No) |
| Parentpay Limited | 86.90 | Yes |
| SF Software Limited | 82.00 | Yes |
| Civica UK Limited | 81.82 | Yes |
| Cash Registers (Buccleuch) Limited | 78.57 | Yes |

| LOT 3 – KITCHEN MANAGEMENT & NUTRITIONAL ANALYSIS SYSTEM | | |
|----------------------------------------------------------|-------|------------------|
| Tenderer | SCORE | Awarded (Yes/No) |
| Parentpay Limited | 92.00 | Yes |
| Civica UK Limited | 62.68 | Yes |

| LOT 4 – NUTRITIONAL ANALYSIS SYSTEM | | |
|-------------------------------------|-------------------|-------------------|
| Tenderer | SCORE | Awarded (Yes/No) |
| Nutritics Limited | 86.59 | Yes |
| Civica UK Limited | 84.00 | Yes |
| Cash Registers (Buccleuch) Limited | 76.21 | Yes |
| Parentpay Limited | Non-Compliant Bid | Non-Compliant Bid |

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 |
|------------------------------------|------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Civica UK Limited | x | | | | | |
| Cash Registers (Buccleuch) Limited | | | | x | | |
| Nutritics Limited | | | | x | | |
| Parentpay Limited | x | | | | | |
| SF Software Limited | | x | | | | |

Appendix 5 – Segmentation classifications

0520 provision of Online School Payments, Cashless Catering and Kitchen Management Systems along with Nutritional Analysis Systems 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 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.