

Scotland Excel

To: Executive Sub Committee

On: 17 November 2017

**Report
by
Director Scotland Excel**

Tender: Pest Control Services and Associated Products

Schedule: 12/17

Period: 8 December 2017 until 30 November 2019 with an option to extend annually until 30 November 2021

1. Introduction and Background

This framework has been developed by the Operational Supplies and Services Team with a “fast-tracked” approach with key stakeholders, which has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. This delivers the aims of the team by reducing resource pressure on councils, consolidating demand and provides new collaborative procurement opportunities.

This recommendation is for the award of a new framework for the Pest Control Services and Associated Products, which will operate from 8 December 2017 to 30 November 2019, with the option to extend for up to two 1 year periods until 30 November 2021.

The framework will cover the removal of rats and mice, crawling insects, flying insects and the supply of pest control chemicals and accessories and will also include the use of hawks and falcons as a bird deterrent.

The framework was advertised at a total value of £8 million for the four year period. Due to Lot 2 being excluded from the evaluation process this total has now been revised to £6 million.

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 commercial user intelligence group steering group (CUIG-SG) endorsed the inclusion of four lots as summarised in Table 1. Estimated percentage of spend per lot is based on historical spend

data but actual purchasing patterns may differ depending on council requirements.

Lot Number	Lot Name	Estimated %age of Spend
Lot 1	Pest Control Services	25%
Lot 2	Bird Control Services	25%
Lot 3	Raptor Services	25%
Lot 4	Pest Control and Associated Products	25%

Table 1: Lotting Structure

The lotting structure recognises the importance of councils being able to purchase pest control services whilst allowing access for a range of suppliers to bid.

The Scotland Excel Operational Supplies and Services Team engaged with the councils to request requirements and anticipated timescales for tenders. Of all responses received, 84% of respondents confirmed they wanted the Operational Supplies and Services Team to tender this opportunity in the first two years of the team being in place.

3. Procurement Process

A Prior Information Notice (PIN) was published on 11 May 2017 which resulted in expressions of interest from 13 companies. A number of supplier engagement meetings were held with suppliers to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from SME's.

As the CUIG-SG endorsed a 'fast-tracked' approach to this opportunity, a more flexible approach to stakeholder engagement was taken.

As a matter of best practice and to ensure that the framework aligned with the councils' requirements, a programme of consultation was conducted to understand their current purchasing practices and future requirements that could be covered by this framework.

This information was used to generate the specifications and selection/award criteria.

To ensure maximum competition, an open tender process was followed to establish the framework. The tender was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 26 August 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 questions relating to conduct and business probity along with questions on insurance, financial standing, quality management, health and safety and environmental management.

At the second stage of the process, the offers were evaluated against the following criteria and weightings for all lots:

Commercial	80%
Technical	20%

Within the technical section for both lots, bidders were required to complete scored questions and method statement to evidence their knowledge and general suitability as service providers. This included, servicing the framework requirements, supply chain sustainability issues, community benefits and fair work practices.

Within the commercial section, bidders were invited to offer on a lot-by-lot basis.

4. Report on Offers Received

The tender document was downloaded by 19 companies, with 8 tender responses received. One late bid was also submitted which was also rejected.

A summary of all offers received and their SME status is provided in Appendix 1.

Following a full evaluation, scoring was completed, and Appendix 2 confirms the scoring achieved by each bidder.

The quality and range of responses for lot 2 made full evaluation impossible due to a number of abnormally low and high bids. As a result, this lot was excluded from the evaluation process and will not proceed to award.

5. Recommendations

Scotland Excel recognised through feedback from the commercial UIG (CUIG-SG) steering group that the local authorities required a robust collaborative framework to support their requirements for Pest Control Services.

Based on the evaluation undertaken in line with the criteria and weightings set out above, it is recommended that placings on a multi supplier framework are awarded to 8 suppliers across the 4 lots as outlined in Appendix 2.

The 8 recommended suppliers are a range of small and large businesses which provide the choice, scope and broad range of services and products required by councils as well as representing best value and providing geographical coverage.

6. Benefits

Savings

The projected savings per council were based on an average basket of goods tendered against the most competitive basket of goods tendered.

The projected average saving across all councils is 5% which equates to an estimated total saving of approximately £75k per annum, based on current spend forecasts.

Savings that can be achieved will depend on a council's purchasing practices and the mix of products and services that each council requires.

Finally, this new framework supports councils by reducing workload and resource pressure, allowing council procurement teams to focus on other priorities whilst still providing best value for these requirements.

Price Stability

Within all lots proceeding to award, the 8 recommended bidders have agreed with the special conditions of framework which states that suppliers will hold their prices firm for the first 12 months of the contract.

After the initial 12 month period, suppliers may submit a price increase on an annual basis. Any price increase will not exceed the rate of the Consumer Price Index (CPI) increase in the preceding 12 months.

Sustainable Procurement Benefits

Community Benefits

The majority of contractors have made major commitments in terms of the type and volume of community benefits that will be delivered locally should they be successful in securing work under the framework.

A sample of the wide range of benefits offered directly relating to work awarded under the framework includes:

- employability events and training sessions to council apprentices
- employability workshop or events in schools, college or community groups
- sponsorship of local sports teams and community events
- donations of products and vouchers
- recruitment of apprentices
- recruitment of full time employees

Fair Work Practices

Bidders were also asked to confirm their approach to fair work practices and the Scottish Living Wage. Of the 8 recommended suppliers, 4 suppliers are accredited living wage employer, 3 suppliers pay the Scottish Living Wage or above to all employees (except volunteers, apprentices and interns). 1 supplier has committed to gaining the accreditation over the initial 2 year contract period.

Other Benefits

The framework will provide councils with a clear pricing and delivery/ mileage charge structure, simplifying the purchase process and ensuring Best Value is achieved.

In addition, the recommended suppliers include 2 small Scottish suppliers and 1 sole trader, supporting the Scottish economy.

An ability for the suppliers who are being awarded a place on the framework to subcontract to smaller local businesses has also been built in to the Terms and Conditions for this framework.

7. Contract Mobilisation and Management

Each supplier will be invited to a mobilisation meeting to outline the operation of the framework, roles and responsibilities, management information requirements and community benefits commitments. Both suppliers and participating members will be issued with a mobilisation pack containing all required details to launch the framework.

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 annual supplier and user group reviews as appropriate.

8. Summary

This framework for pest control services & associated products 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 award placings on the framework to the recommended Tenderers listed and marked in Appendix 2 to this report.

Appendix 1 -Offers Received and SME Status

Tenderers	SME Status	Location	Lots Tendered
Anderson Pest Prevention	Sole Trader	Moray	1
Ecolab Limited	Large	Caerphilly	1, 2, 3
Graham Environmental Services Limited (t/a Graham Pest Control)	Small	Perth & Kinross	1, 2
Killgerm Chemicals Limited	Large	West Yorkshire	4
Mitie Pest Control Limited	Large	Gloucestershire	1, 2, 3
North East Falconry Limited	Small	Tyne and Wear	1, 2, 3
Orbis Protect Limited	Large	Middlesex	1, 2
Pestguard Services (Scotland) Limited	Small	Renfrewshire	1, 2

Late Offer

Tenderers	Location
Rentokil Initial UK Ltd	Surrey

Appendix 2 - Scoring and Recommendations

(Asterisk (*)) denotes recommended supplier)

Lot 1 - Pest Control Services	
Tenderer	Score
Ecolab Limited*	95.50
Graham Environmental Services Limited (t/a Graham Pest Control)*	75.00
Mitie Pest Control Limited*	75.00
Pestguard Services (Scotland) Limited*	61.25
Orbis Protect Limited*	58.50
Anderson Pest Prevention*	52.50
North East Falconry Limited	46.75

Lot 2 - Bird Control Services	
Tenderer	
Ecolab Limited	Not proceeding to award
Graham Environmental Services Limited (t/a Graham Pest Control)	
Mitie Pest Control Limited	
North East Falconry Limited	
Orbis Protect Limited	
Pestguard Services (Scotland) Limited	

Lot 3 - Raptor Services	
Tenderer	
North East Falconry Limited*	86.75
Mitie Pest Control Limited*	44.14
Ecolab Limited	27.20

Lot 4 - Pest Control and Associated Products	
Tenderer	
Killgerm Chemicals Limited*	84.25