

Scotland Excel

To: Executive Sub-Committee

On: Friday 22 April 2022

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

Tender: Supply of Digital Publications and Services

Schedule: 10/21

Period: 1 August 2022 until 31 July 2025 with an option to extend for up to 12 months until 31 July 2026

1. Introduction and Background

This recommendation is for the award of the second-generation renewal framework for the Supply of Digital Publications and Services.

This proposed renewal framework was advertised for the period from 1 August 2022 until 31 July 2025 with the option to extend for up to 12 months until 31 July 2026.

This framework will provide councils with a mechanism to procure a range of services including but not limited to e-Books, e-Audiobooks and e-Magazines, e-Comics and e-Newspapers.

2. Scope, Participation and Spend

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

Table 1: Lotting Structure

Lot No.	Description	Estimated % spend through lot
1	e-Books	44%
2	e-Audiobooks	35%
3	e-Magazines	15%
4	e-Comics	4%
5	e-Newspapers	2%

This lotting structure recognises the current landscape of the marketplace and is designed to align with council requirements, as well as maximising opportunities for Small and Medium Enterprises (SMEs).

The framework was advertised to enable access by all councils in Scotland. As detailed in Appendix 1, all 32 councils have confirmed their intention to participate in this framework.

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

3. Procurement Process

A Prior Information Notice (PIN) was released on the Public Contracts Scotland portal on the 16th of July 2021 to inform the marketplace of Scotland Excel's intention to tender an opportunity for the supply of Digital Publications and Services. Prospective bidders were given the opportunity to participate in a preliminary market consultation exercise in accordance with Regulation 41 of the Public Contracts (Scotland) Regulations 2015. This involved engagement in meetings and provision to Scotland Excel of information in relation to, but not limited to, market intelligence, market trends, sustainability initiatives and community benefits to help inform the strategy. Subsequently, 11 organisations noted interest in the market consultation meetings. The meetings concluded on the 7th of August. Two online meetings with different companies were held.

A User Intelligence Group (UIG) consisting of representatives from participating councils endorsed the procurement strategy (September 2021). In addition, a working group consisting of technical and procurement representatives was formed to review technical specifications and participate in the evaluation of offers submitted.

Scotland Excel has taken cognisance of the current situation and impact during the tender exercise of the Coronavirus pandemic. Balancing the current situation with the need to provide a route to market for councils seeking the continuation of supply for Digital Publications and Services in order to meet their statutory functions 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.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 1 March 2022, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system.

As such, the tender exercise commenced after the UK withdrawal from the European Union and was conducted and concluded in accordance with the law and procedures currently in force.

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 advertised 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: 25%
Commercial: 75%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including Fair Work First, Community Benefits, Supplier Platform Operation, Methods of Access, Stock Ranges and Contract Implementation and Management. Bidders were also assessed in terms of their ability to provide Community Benefits. These are detailed below within Table 2.

Table 2: Technical Section Weighting

Question	Description	Weighting
1	Fair Work First	4
2	Community Benefits	3
3	Supplier Platform Operation	3
4	Methods of Access	3
5	Stock Ranges	7
6	Contract Implementation and Management	5
Total Score		25

Within the commercial section, bidders were invited to offer on a lot-by-lot basis for the lots outlined in Table 1, and fixed pricing for 24 months was required for all lots.

4. Report on Offers Received

The tender document was downloaded by 14 organisations, with 6 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 advertised criteria and weightings summarised above, it is recommended that a multi-supplier

framework arrangement is awarded to 6 suppliers across five lots as outlined in Appendix 3.

The 6 recommended suppliers offer best value and represent a mix of small, medium and large organisations. By taking an inclusive approach this will provide members with a greater variety of content.

The range of suppliers recommended provides coverage for all awarding framework lots and competitive options for all participating councils as well as offering a degree of choice and capacity.

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current fees against the fees submitted within the renewal tender. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 12%, which equates to an estimated total saving of approximately £114k per annum based on current forecast spend levels.

Price Stability

The framework applies 24 months fixed pricing for all lots. 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.

Rebate

A rebate of 0.25% payable to Scotland Excel and 1.75% payable to councils will be applied to framework spend above £150,000 (excluding the initial £150,000) and will be calculated based upon total framework spend with the supplier reported through management information returns.

Sustainability

The framework offers many benefits in sustainability, namely environmental factors with no production required, no published material and no deliveries being made.

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for our members and local communities. 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 spend 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, 4 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:

- 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 full-time employees

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. Results reported on community benefits will be disseminated to councils on a 6 monthly basis.

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 6 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 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. 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 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 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 of Digital Publications and Services 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 3 (Scoring and Recommendations).

Appendix 1 – Participation, Spend and Savings Summary Supply of Digital Publications and Services 1021

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 August 2022	£14,646	Suppliers MI	7.0%	12.0%	£1,758	Benchmarked current framework
Aberdeenshire Council	YES	01 August 2022	£13,405	Suppliers MI	7.0%	12.0%	£1,609	Benchmarked current framework
Angus Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Argyll & Bute Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
City of Edinburgh Council	YES	01 August 2022	£38,554	Suppliers MI	7.0%	12.0%	£4,626	Benchmarked current framework
Clackmannanshire Council	YES	01 August 2022	£7,462	Suppliers MI	7.0%	12.0%	£895	Benchmarked current framework
Comhairle nan Eilean Siar	YES	01 August 2022	£775	Suppliers MI	7.0%	12.0%	£93	Benchmarked current framework
Dumfries & Galloway Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Dundee City Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
East Ayrshire Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
East Dunbartonshire Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
East Lothian Council	YES	01 August 2022	£16,235	Suppliers MI	7.0%	12.0%	£1,948	Benchmarked current framework
East Renfrewshire Council	YES	01 August 2022	£2,040	Suppliers MI	7.0%	12.0%	£245	Benchmarked current framework
Falkirk Council	YES	01 August 2022	£8,341	Suppliers MI	7.0%	12.0%	£1,001	Benchmarked current framework
Fife Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Glasgow City Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Highland Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Inverclyde Council	YES	01 August 2022	£2,937	Council Provided	7.0%	12.0%	£352	Benchmarked current framework
Midlothian Council	YES	01 August 2022	£985	Suppliers MI	7.0%	12.0%	£118	Benchmarked current framework
Moray Council	YES	01 August 2022	£5,783	Suppliers MI	7.0%	12.0%	£694	Benchmarked current framework
North Ayrshire Council	YES	01 August 2022	£9,477	Suppliers MI	7.0%	12.0%	£1,137	Benchmarked current framework
North Lanarkshire Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Orkney Islands Council	YES	01 August 2022	£1,444	Suppliers MI	7.0%	12.0%	£173	Benchmarked current framework
Perth & Kinross Council	YES	01 August 2022	£4,420	Suppliers MI	7.0%	12.0%	£530	Benchmarked current framework
Renfrewshire Council	YES	01 August 2022	£9,302	Suppliers MI	7.0%	12.0%	£1,116	Benchmarked current framework
Scottish Borders Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Shetland Islands Council	YES	01 August 2022	£4,128	Suppliers MI	7.0%	12.0%	£495	Benchmarked current framework
South Ayrshire Council	YES	01 August 2022	£8,046	Suppliers MI	7.0%	12.0%	£966	Benchmarked current framework
South Lanarkshire Council	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Stirling Council	YES	01 August 2022	£19,157	Suppliers MI	7.0%	12.0%	£2,299	Benchmarked current framework
West Dunbartonshire Council	YES	01 August 2022	£941	Suppliers MI	7.0%	12.0%	£113	Benchmarked current framework
West Lothian Council	YES	01 August 2022	£4,057	Suppliers MI	7.0%	12.0%	£487	Benchmarked current framework
Tayside Contracts	YES	01 August 2022	£0	Suppliers MI	7.0%	12.0%	£0	Benchmarked current framework
Totals			£172,135			12.0%	£20,656	
Associate Members	YES	01 August 2022	£774,978	Suppliers MI	7.0%	12.00%	£92,997	Benchmarked Current Framework
Totals			£947,113			12.00%	£113,654	

Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lot(s) Tendered	Lot(s) Awarded
Bibliotheca Limited	Medium	Cheadle, Cheshire	1, 2, 4	1, 2, 4
Bolinda UK Ltd	Small	London, England	1-5	1-5
EBSCO International Inc.	Large	Enfield, England	3	3
OverDrive Global Limited	Large	Leicestershire, England	1-5	1-5
Ulverscroft Limited	Medium	Leicestershire, England	1, 2	1, 2
Wheelers eplatform Limited	Small	Mitcheldean, England	1, 2	1, 2

Appendix 3 - Scoring and Recommendations

Lot 1 e-Books	Total Score	Recommended for Award
Ulverscroft Limited	96.50	Yes
Bolinda UK Ltd	89.74	Yes
Wheelers eplatform Limited	86.30	Yes
OverDrive Global Limited	76.33	Yes
Bibliotheca Limited	68.14	Yes

Lot 2 e-Audiobooks	Total Score	Recommended for Award
OverDrive Global Limited	96.00	Yes
Bolinda UK Ltd	82.26	Yes
Bibliotheca Limited	80.89	Yes
Ulverscroft Limited	76.08	Yes
Wheelers eplatform Limited	56.31	Yes

Lot 3 e-Magazines	Total Score	Recommended for Award
OverDrive Global Limited	96.00	Yes
EBSCO International Inc.	48.90	Yes
Bolinda UK Ltd	26.66	Yes

Lot 4 e-Comics	Total Score	Recommended for Award
Bibliotheca Limited	98.25	Yes
OverDrive Global Limited	39.07	Yes
Bolinda UK Ltd	24.70	Yes

Lot 5 e-Newspapers	Total Score	Recommended for Award
OverDrive Global Limited	96.00	Yes
Bolinda UK Ltd	24.77	Yes

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
Bibliotheca Limited				Yes		
Bolinda UK Ltd	Yes					
EBSCO International Inc						Yes
OverDrive Global Inc.				Yes		
Ulverscroft Limited				Yes		
Wheelers eplatform Limited				Yes		

Appendix 5 – Segmentation classifications

1220 Supply of Digital Publications and Services 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.