

**To: Executive Sub Committee**

**On: 24 August 2018**

**Report  
by  
Director Scotland Excel**

**Tender: Supply and Delivery of Street Lighting Materials**

**Schedule: 26/17**

**Period: 1 August 2018 until 31 July 2021 with an option to extend for a further 12 month period until 31 July 2022 (effective date 1 October 2018)**

## **1. Introduction and Background**

The current framework for Street Lighting Materials expired on 30 June 2018. The proposed renewal framework will operate from 1 October 2018 until 31 July 2021 with an option to extend for a further 12 month period until 31 July 2022.

This framework covers a range of products from traditional street lighting materials such as steel and aluminium lighting columns to latest generation high technology Light Emitting Diode (LED) Lanterns. The renewal framework will assist councils in the maintenance of their street lighting infrastructure and delivering the LED street lighting replacement programmes supporting the Scottish Government's climate change targets and the transition to a low carbon economy.

This renewal incorporates a number of enhancements to the current framework including a revised lot structure to increase flexibility, SME participation and competition in the relevant lots and built-in flexibility to allow innovative/upgraded products to be added during the lifetime of the framework to meet future requirements and to take advantage of the fast pace of advancements in LED technology.

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) confirmed a level of satisfaction with the current framework, and endorsed the inclusion of eight lots as summarised in Table 1. This strategy is designed to

closely align with council requirements, whilst also recognising the current structure of the market place, as well as maximising opportunities for SME participation.

**Table 1: Lotting Structure**

<b>Lot Number</b>	<b>Description</b>	<b>Estimated % of Spend</b>
1	LED Lanterns	77%
2	Cable/Wiring	3%
3	Steel Columns & Poles	1%
4	Aluminium Columns & Poles	6%
5	Sundry Items	6%
6	Traffic Bollards & Signs	2%
7	Luminaires/Lanterns	2%
8	Lamps & Maintenance Components	3%

As detailed in Appendix 1, all 32 Councils have confirmed that they will participate in this framework renewal.

The forecast annual spend for participating councils is circa £26m per annum and the framework was advertised at a value of £35m per annum to allow for growth within participating councils.

### **3. Procurement Process**

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 13 December 2017. In addition, a working group of technical representatives was formed to review the lot structure, technical specifications and participate in the evaluation.

A Prior Information Notice (PIN) was published on 6 January 2018, which resulted in expressions of interest from 60 organisations. Market engagement led to 22 supplier meetings. Thereafter, in order to ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the framework.

The Contract Notice was published via the Official Journal of the European Union and the Public Contracts Scotland portal (PCS) on 4 May 2018 with the tender documentation being made available for immediate download via the Public Contracts Scotland Tenders (PCS-T) system.

The procurement process followed a two stage tendering procedure. At the first stage, tenderers European Single Procurement Document (ESPD) responses were assessed against financial capability, technical/professional capability and business probity requirements. Bidders were required to pass this stage to be eligible for award.

At the second stage, offers were evaluated against the following overarching criteria and weightings, with the technical criteria breakdown shown in table 2 below.

**Table 2: Technical Scoring Breakdown**

<b>Area</b>	<b>Question</b>	<b>Maximum Score Available</b>
<b>Commercial 72%</b>		
<b>Technical 28%</b>	Warehouse & Stockholding	<b>6</b>
	Distribution & Logistics	<b>6</b>
	Account Management & Technical Support	<b>5</b>
	Sustainability	<b>5</b>
	Community Benefits	<b>3</b>
	Fair Work Practices	<b>3</b>

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements as detailed in Table 2 above. In addition to these questions, bidders were asked to provide added value suggestions to councils.

Bidders were also asked to confirm which council areas they had the ability to service.

Within the commercial section, bidders were invited to offer on a lot by lot basis and provide prices for a range of the most commonly used street lighting products.

Due to the nature of the market, fixed pricing for 12 months was requested for lots 1 and 6, and fixed pricing for 6 months was requested for lots 2, 3, 4, 5, 7 and 8, with further options for bidders to confirm if they were willing to offer longer periods of fixed pricing, non-core discounts or additional guarantee.

#### **4. Report on Offers Received**

The tender document was downloaded by 61 organisations, with 31 tender responses received.

A summary of all offers received is provided in Appendix 2.

All respondents passed the first stage assessment. However, ARK Lighting Ltd, Designplan Lighting Limited and R.S.T. Power Distribution Limited were non-compliant with the second stage technical assessment as they failed to offer specification compliant products.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was carried out. Appendix 3 sets out 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 25 suppliers across the eight lots as outlined in Appendix 3.

The 25 recommended suppliers can meet operational requirements, provide a range of choice and capacity for council members, whilst also representing a mix of small, medium and large organisations, with 21 of the recommended suppliers classified as SMEs.

## **6. Benefits**

### **Savings**

Scotland Excel conducted a benchmarking exercise based on the existing framework prices and compared these against the new framework prices for similar product types.

The results of this benchmarking are detailed in Appendix 1. The benchmarking shows a projected contract average saving of 13% (£3.4m per annum). However, this is derived from a range of projected values from savings of 16% on lot 1 LED Lanterns and an average 2% cost across other lots.

The key influencing factors within this range are the reducing cost of technology in the development of LED's and conversely with the rising material costs in steel and aluminum prices used in the manufacture of cables and columns.

It should be noted, however, that each individual council could achieve additional savings through conducting mini-competitions.

### **Price Stability**

All suppliers have agreed to the stated fixed price period at the start of the framework. Provision thereafter is for price reviews annually for lots 1 and 6, and on a six-monthly basis for lots 2, 3, 4, 5, 7 and 8 to accommodate market fluctuations. All requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

In addition to the mandatory fixed pricing periods for all lots, 15 of the recommended suppliers have offered further additional fixed pricing periods ranging from a further twelve-month period, twenty four-month period to the lifetime of the framework.

### **Sustainable Procurement Benefits**

Within the technical section of the tender, the sustainability method statement assessed bidders in relation to their corporate approach to sustainability and how their organisation promotes recycle, reuse and reduce initiatives to

minimise the impact of the supply chain on the environment. A range of sustainable measures were outlined by suppliers including;

- Implementing environmental initiatives;
- Developing reusable, returnable packaging solutions
- Controlling their fleet/vehicle environmental standards;
- Reducing carbon footprint and emissions;
- Waste reduction and
- End of life recycling / disposing.

LED lanterns will provide councils with energy and carbon efficient alternatives to traditional street lighting lanterns. In addition to energy savings, it is also estimated that there will be operational efficiencies gained through the use of LED Lighting as the light source has a service life expectancy which far outstrips that of traditional light sources such as sodium or fluorescent lamps, requiring less reactive and planned maintenance; also reduced light pollution due to the directional nature of the light produced by LEDs.

Throughout the lifetime of the framework Scotland Excel will continue to engage with councils and suppliers to ensure that advances in technology, particularly in relation to LED lighting, are incorporated into the framework in order that councils can easily access the latest products.

### **Community Benefits**

Bidders were also asked to detail and demonstrate their commitment to providing community benefits, and this will be further reviewed during framework mobilisation and reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a six-monthly basis. A range of community benefits dependent on spend levels were offered by bidders including:

- Sponsorship of local sports teams
- Sponsorship of community events
- Recruitment of modern apprentices
- Work experience to school children and further education students
- Assist in community projects
- Offer training sessions to council apprentices
- Workshop/school/college event
- Employability workshop or event
- Donation of materials and labour
- Donation of product vouchers
- Recruitment

A number of suppliers are Scottish based, or have operational centres in Scotland, and have offered local community benefits based on the achievement of specific spend levels under the contract.

## **Fair Work Practices including the Living Wage**

Bidders were asked a question on their approach to Fair Work Practices and the Scottish Living Wage status. Of the 25 recommended suppliers:

- 5 are accredited Scottish Living Wage Employers;
- 2 have agreed to become an accredited Scottish Living Wage employer within the initial two-year period of the Framework Contract;
- 12 are not currently accredited Scottish Living Wage Employers, but do pay the Scottish Living Wage to all employees (except volunteers, apprentices and interns).

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 all staff the Scottish Living Wage to encourage them to achieve this.

## **Other Benefits**

Bidders were also asked to offer non-core discounts. Six suppliers offered non-core discounts ranging from 2% to 20% across various lots.

In addition, the majority of the suppliers offered a range of added value benefits available to councils free of charge including: free expert technical advice on product selection, lighting design procedures, technical workshops, site visits and installation advice to maximise operational efficiencies.

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

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

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a category 1 arrangement in terms of both risk and spend requiring quarterly supplier and user group reviews as appropriate.

## **8. Summary**

This framework for the supply and delivery of street lighting materials aims to maximise collaboration, support councils' street lighting departments to deliver the various services they provide, promote added value and deliver best value. A range of benefits can be reported in relation to best value, price stability, non-core discount, sustainability, community benefits and added value.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement to the suppliers as detailed in Appendix 3.

## Appendix 1 – Participation, Spend and Savings Summary – Supply and Delivery of Street Lighting Materials 26/17

STREET LIGHTING FRAMEWORK								
Member Name	Participate In Framework	Participation Entry Date	Est. Annual Spend (£)	Source of Spend	Indexation	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	Contract Start	£ 942,734	Contract MI	6%	13%	£122,555	Benchmarked current framework
Aberdeenshire Council	Yes	Contract Start	£ 516,505	Contract MI	6%	13%	£67,146	Benchmarked current framework
Angus Council	Via Tayside Contracts	Contract Start	£ -	Council Confirmed	6%	13%	£0	Benchmarked current framework
Argyll & Bute Council	Yes	Contract Start	£ 325,262	Contract MI	6%	13%	£42,284	Benchmarked current framework
Clackmannanshire Council	Yes	Contract Start	£ 328,399	Contract MI	6%	13%	£42,692	Benchmarked current framework
Comhairle nan Eilean Siar	Yes	Contract Start	£ 94,833	Council Confirmed	6%	13%	£12,328	Benchmarked current framework
Dumfries & Galloway Council	Yes	Contract Start	£ 684,050	Contract MI	6%	13%	£88,927	Benchmarked current framework
Dundee City Council	Via Tayside Contracts	Contract Start	£ -	Council Confirmed	6%	13%	£0	Benchmarked current framework
East Ayrshire Council	Yes	Contract Start	£ 578,144	Contract MI	6%	13%	£75,159	Benchmarked current framework
East Dunbartonshire Council	Yes	Contract Start	£ 569,111	Contract MI	6%	13%	£73,984	Benchmarked current framework
East Lothian Council	Yes	Contract Start	£ 315,896	Contract MI	6%	13%	£41,066	Benchmarked current framework
East Renfrewshire Council	Yes	Contract Start	£ 182,396	Contract MI	6%	13%	£23,711	Benchmarked current framework
Edinburgh City Council	Yes	Contract Start	£ 425,012	Contract MI	6%	13%	£55,252	Benchmarked current framework
Falkirk Council	Yes	Contract Start	£ 710,500	Council Confirmed	6%	13%	£92,365	Benchmarked current framework
Fife Council	Yes	Contract Start	£ 1,648,501	Contract MI	6%	13%	£214,305	Benchmarked current framework
Glasgow City Council	Yes	Contract Start	£ 3,551,667	Council Confirmed	6%	13%	£461,717	Benchmarked current framework
Highland Council	Yes	Contract Start	£ 897,806	Contract MI	6%	13%	£116,715	Benchmarked current framework
Inverclyde Council	Yes	Contract Start	£ 397,300	Contract MI	6%	13%	£51,649	Benchmarked current framework
Midlothian Council	Yes	Contract Start	£ 224,321	Contract MI	6%	13%	£29,162	Benchmarked current framework
Moray Council	Yes	Contract Start	£ 1,416,333	Council Confirmed	6%	13%	£184,123	Benchmarked current framework
North Ayrshire Council	Yes	Contract Start	£ 1,030,127	Contract MI	6%	13%	£133,917	Benchmarked current framework
North Lanarkshire Council	Yes	Contract Start	£ 19,080	Contract MI	6%	13%	£2,480	Benchmarked current framework
Orkney Islands Council	Yes	Contract Start	£ 248,230	Contract MI	6%	13%	£32,270	Benchmarked current framework
Perth & Kinross Council	Via Tayside Contracts	Contract Start	£ -	Council Confirmed	6%	13%	£0	Benchmarked current framework
Renfrewshire Council	Yes	Contract Start	£ 133,333	Council Confirmed	6%	13%	£17,333	Benchmarked current framework
Scottish Borders Council	Yes	Contract Start	£ 840,572	Contract MI	6%	13%	£109,274	Benchmarked current framework
Shetland Islands Council	Yes	Contract Start	£ 11,138	Contract MI	6%	13%	£1,448	Benchmarked current framework
South Ayrshire Council	Yes	Contract Start	£ 639	Contract MI	6%	13%	£83	Benchmarked current framework
South Lanarkshire Council	Yes	Contract Start	£ 3,803,889	Contract MI	6%	13%	£494,506	Benchmarked current framework
Stirling Council	Yes	Contract Start	£ 668,015	Contract MI	6%	13%	£86,842	Benchmarked current framework
West Dunbartonshire Council	Yes	Contract Start	£ 1,426,122	Contract MI	6%	13%	£185,396	Benchmarked current framework
West Lothian Council	Yes	Contract Start	£ 1,738,841	Council Confirmed	6%	13%	£226,049	Benchmarked current framework
Tayside Contracts	Yes	Contract Start	£ 2,330,075	Council Confirmed	6%	13%	£302,910	Benchmarked current framework
<b>Totals</b>			<b>£26,058,831</b>			<b>13%</b>	<b>£3,387,648</b>	

\*Indexation: this column indicates the comparison between relevant market indices and current contract pricing. For this contract, current contract pricing is presently 6% below the market.





## Appendix 2 - List of Tenderers with SME Status

TENDERER	SME STATUS	LOCATION	LOTS OFFERED
The Aluminium Lighting Company Ltd	Small	Port Talbot, Wales	4
ARK Lighting Ltd	Micro	Barnsley	1
ASD Lighting Plc	Medium	Rotherham	1
BATT Cables Public Limited Company	Large	Erith	2
UK Electric Limited	Medium	Newbury, Berkshire	1, 3, 5, 6 and 8
City Electrical Factors Limited	Large	Kenilworth	1, 2, 5 and 8
Cleveland Cable Company Limited	Large	Cambuslang	2
C. U. Lighting Limited	Medium	Great Amwell, Hertfordshire	1, 3 and 7
Designplan Lighting Limited	Medium	Sutton, Surrey	1
D.W. Windsor Limited	Medium	Hoddesdon	1
R.S.T. Power Distribution Limited	Micro	Ennis, Republic of Ireland	1
Fabrikat (Nottingham) Limited	Medium	Sutton-In-Ashfield, Nottingham	3 and 5
Glasdon (UK) Limited	Medium	Blackpool	6 and 8
Indo Lighting Limited	Small	Southampton	1
James M Anderson Limited	Small	East Kilbride	1, 2, 3, 4, 5, 6, 7 and 8
Light & Energy Distribution Limited	Small	Cumbernauld	1, 2, 3, 4, 5, 6 and 8
Mallatite Limited	Medium	Paisley	1, 3, 4, 5, 6 and 7
Marwood Electrical Company Limited	Medium	Tonbridge	1, 3, 4, 5, 6 and 8
Orangetek Limited	Small	Burton-On-Trent, Staffordshire	1
Philips Lighting UK Limited	Large	Guildford	1
Ritherdon and Co. Limited	Small	Darwen	5
Signpost Solutions Limited	Small	Tipton	6
Simmonsigs Limited	Medium	Telford, Shropshire	6 and 8
Snapfast	Small	Gateshead	1 and 8
Street Lighting Supplies & Co Ltd	Small	Grangemouth	1, 2, 3, 4, 5 and 8
ZG Lighting (UK) Limited	Medium	Spennymoor, County Durham	1
Traffic Management Products Limited	Small	Horsham, West Sussex	6
TRT Lighting Limited	Medium	Redditch	1
Urbis Schreder Ltd	Medium	Basingstoke, Hampshire	1
Westire Technology Limited	Small	Belmullet, Republic of Ireland	5
Zeta Specialist Lighting Limited	Small	Bicester, Oxfordshire	1 and 6



**Appendix 3 - Scoring and Recommendations** (Asterisk (\*\*)) denotes successful supplier, asterisk (\*) denotes part successful supplier, (N/C) denotes Non-Compliant bid)

LOT 1 - LED Lanterns	
SUPPLIER	TOTAL SCORE
Philips Lighting UK Limited**	95.50
Urbis Schreder Ltd**	93.30
Marwood Electrical Company Limited*	92.28
City Electrical Factors Limited*	92.06
ZG Lighting (UK) Limited**	91.58
Light & Energy Distribution Limited*	90.47
TRT Lighting Limited**	84.95
UK Electric Limited*	82.53
Mallatite Limited**	82.07
Orangetek Limited**	81.73
Street Lighting Supplies & Co Ltd*	81.71
ASD Lighting Plc**	79.87
James M Anderson Limited*	79.33
Indo Lighting Limited*	78.90
D.W. Windsor Limited*	77.11
C. U. Lighting Limited**	73.88
ARK Lighting Ltd	N/C
Designplan Lighting Limited	N/C
R.S.T. Power Distribution Limited	N/C
Snapfast	N/C
Zeta Specialist Lighting Limited	N/C

LOT 2 - Cable/Wiring	
SUPPLIER	TOTAL SCORE
Cleveland Cable Company Limited**	93.00
Street Lighting Supplies & Co Ltd*	85.14
City Electrical Factors Limited*	80.32
James M Anderson Limited*	72.62
BATT Cables Public Limited Company**	71.09
Light & Energy Distribution Limited*	69.08

LOT 3 - Steel Columns & Poles	
SUPPLIER	TOTAL SCORE
Mallatite Limited**	97.00
Marwood Electrical Company Limited*	85.65
James M Anderson Limited*	84.51
Fabrikat (Nottingham) Limited*	83.56
C. U. Lighting Limited*	80.51
Light & Energy Distribution Limited*	78.39
Street Lighting Supplies & Co Ltd*	73.16
UK Electric Limited*	66.31

LOT 4 - Aluminium Columns & Poles	
SUPPLIER	TOTAL SCORE
Mallatite Limited**	96.50
Street Lighting Supplies & Co Ltd*	95.58
The Aluminium Lighting Company Ltd**	67.06
Marwood Electrical Company Limited*	67.02
Light & Energy Distribution Limited*	66.63
James M Anderson Limited*	62.97

LOT 5 - Sundry Items	
SUPPLIER	TOTAL SCORE
Street Lighting Supplies & Co Ltd*	77.70
Marwood Electrical Company Limited*	74.77
Mallatite Limited**	69.63
Light & Energy Distribution Limited*	67.56
James M Anderson Limited*	66.43
Westire Technology Limited	62.88
City Electrical Factors Limited	62.44
Fabrikat (Nottingham) Limited	61.70
Ritherdon and Co. Limited	60.19
UK Electric Limited	40.98

LOT 6 - Traffic Bollards & Signs	
SUPPLIER	TOTAL SCORE
Mallatite Limited**	97.00
Marwood Electrical Company Limited*	69.05
Traffic Management Products Limited**	64.08
Simmons signs Limited**	62.22
Light & Energy Distribution Limited*	61.95
James M Anderson Limited*	59.62
Zeta Specialist Lighting Limited*	58.07
Glasdon (UK) Limited**	57.49
UK Electric Limited	49.20
Signpost Solutions Limited	49.19

LOT 7 - Luminaires/Lanterns	
SUPPLIER	TOTAL SCORE
Mallatite Limited**	96.36
C. U. Lighting Limited*	93.00
James M Anderson Limited*	92.00

LOT 8 - Lamps & Maintenance Components	
SUPPLIER	TOTAL SCORE
Simmons signs Limited**	92.75
Marwood Electrical Company Limited*	88.47
James M Anderson Limited*	75.12
Snapfast*	74.64
Street Lighting Supplies & Co Ltd*	74.07
Glasdon (UK) Limited**	73.04
City Electrical Factors Limited*	72.08
Light & Energy Distribution Limited*	71.78
UK Electric Limited*	63.66