

Scotland Excel Executive Sub Committee

To: Executive Sub Committee

On: 6th March 2015

Report by Director

Tender: Presentation & Audio Visual Equipment

Schedule: 12/14

Period: 1 April 2015 to 31 March 2018, with an option to extend for up to one year until 31 March 2019

1. Introduction and Background

The current framework for the supply, delivery, installation, commissioning & maintenance of a range of presentation and audio visual equipment expires on 31 March 2015. Following User Intelligence Group (UIG) discussions and based on the high level of satisfaction with the current framework, it was agreed that a second generation framework should be established. The new framework will operate from 1 April 2015 until 31 March 2018 with the option to extend for up to one year until 31 March 2019.

The framework will incorporate a wide range of solution based packages for interactive white boards, interactive touch screen display units, interactive projectors, LCD & LED projectors and televisions. Installation and reactive maintenance for those products out with warranty will also feature in this framework. Customers will have a single source option for supply, installation and maintenance thereby increasing efficiency for customers.

It is anticipated the main users of this framework will be from education services, however the framework will be available to all other council departments and Scotland Excel associate members.

2. Scope, Participation and Spend

As part of the strategy development for this framework a core product review was conducted against the current framework. Following a detailed review of management information and having considered the supply landscape, the lotting structure was revised to align with council requirements.

The framework now consists of a single lot incorporating interactive white boards featuring various technologies, interactive touch screen display units, interactive and multimedia projectors and televisions. Each product type is offered in a range of models and sizes to suit different requirements and environments. In total 37 products are available along with warranty, installation, commissioning and reactive maintenance.

As detailed in Appendix 1, 32 councils and Tayside Contracts have confirmed their intention to participate in this framework from the outset. National Services Scotland (NHS) and the Scottish Parliament have also cited their intention to participate in the framework and this was stated in the contract notice.

Based on the historic spend of councils and associate members, the framework has a forecast spend of circa £5-6 million per annum which would allow for expenditure on innovative technology or potential spend through the NHS, Scottish Parliament and council office rationalisation projects.

3. Procurement Process

A User Intelligence Group (UIG) consisting of procurement and technical representatives from the participating councils was established to develop a procurement strategy to best meet user requirements.

To ensure that the framework was awarded to the most capable suppliers, the UIG agreed that a 2 stage tendering process should be used. At the first stage, bidders were assessed on financial capability, technical/professional capability and business probity. Bidders were required to pass this stage in order for their offer to be evaluated. At the second stage of the process, the offers were evaluated against the following criteria and weightings:

Technical	15%
Commercial	85%

Bidders were invited to offer fixed pricing for 12 months for core items as well as a fixed percentage discounts against their catalogue list price. Bidders also confirmed

which councils they were prepared to service. The tender explained that bidders must tender for a minimum of 80% of all products. In the event that an offer was received with less than 80% of the items priced, Scotland Excel reserved the right not to consider the offer.

The framework was advertised in the Official Journal of the European Union and the Public Contracts Scotland portal on the 18 November 2014. The tender process was conducted using the Public Contracts Scotland tender (PCS-Tender) system.

4. Report on Offers Received

44 suppliers expressed interest in the framework and 13 suppliers (as detailed in Appendix 2) responded.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the remaining offers received was completed. Appendix 3 of this report sets out the scoring achieved by each tenderer and the recommendations agreed by UIG.

GV Multi Media Ltd submitted no pricing, therefore their offer was not considered.

5. Recommendations

Under EU procurement legislation a framework arrangement can be concluded with a single supplier. If the agreement is concluded with several suppliers, the minimum number of suppliers must be three (provided there is sufficient numbers of suppliers satisfying the selection criteria and tenders meeting the award criteria).

Based on the evaluations carried out in line with the criteria and weightings set out above, it is recommended that the framework be awarded to a total of four suppliers as detailed in Appendix 3.

6. Benefits

Savings

A price comparison exercise has been carried out against authorities existing Scotland Excel contractual rates. The results are set out in **Appendix 1**.

Overall cost savings from the current baseline show an average 7% saving, assuming that councils choose the lowest priced supplier which equates to an annual saving of

£294,413. In order to calculate a percentage cost saving, the lowest price solution offered was compared to the lowest priced supplier on the previous Scotland Excel framework. The percentage figure was applied to each councils annual spend on presentation and audio visual equipment. Where councils have been unable to provide spend data the figures are based on an average of the previous 3 years management information or an agreed baseline figure for illustrative purposes.

In addition some suppliers have offered early settlement discounts of up to 1.5% where payment can be achieved within 15 days from date of invoice and there is an opportunity for customers to derive a retrospective rebate of up to 1.5% where the council utilises a supplier for 75% or more of their business. This will be discussed and agreed with councils during the framework mobilisation period.

Price Stability

It is a condition of the framework that all suppliers will maintain stable prices for one year from the commencement of the framework on core range products. Where products change through innovation or obsolescence Scotland Excel will manage the suppliers to ensure continuity of guaranteed maximum price. Additionally suppliers will maintain fixed percentage discounts against manufacturers RRP for the duration of the contract for all non core products.

Delivery

All recommended suppliers will provide carriage, off-loading and carrying to final locations across all of Scotland, including the islands.

Warranty Periods

Warranty periods vary in duration and extent of cover depending on the manufacturer and the commodity.

The framework required minimum manufacturer warranty durations ranging from 2 year onsite warranty for televisions to 3 year for interactive whiteboards and projectors. Although the framework stipulated that any installation work would be covered by a 1 year period AVM Impact Ltd, Irruptus Limited (t/a Efficient Infrastructure Solutions) and SSUK Ltd have offered an additional 3 year warranty on their installation work while TCIB Installations has offered an additional 4 year warranty.

Reactive Maintenance

The inclusion of reactive maintenance into the current framework has proved to be a valuable and well used service. Customers will continue to have single source options for supply and maintenance thereby reducing downtime of equipment.

Community Benefits

Tenderers were invited to commit to specific community benefits through the framework. This was embraced by many of the suppliers and a wide range of benefits were offered across the supply base. Some of the potential benefits offered include

work experience and apprenticeships, training for long term unemployed, support and sponsorship of local community projects and charities

Suppliers will be required as part of their quarterly management information submissions to provide information on any community benefits that they have delivered through this framework.

Sustainability

The following elements were included within the tender documentation to ensure that sustainability was considered in the evaluation process:

Suppliers were required to confirm that they have an Environmental Policy. Vehicle emissions with regards to the transportation and delivery of were assessed. Suppliers were also assessed with regards to recycling and re-use initiatives including packaging.

Furthermore all items supplied against this framework are classified as being energy efficient. Products will be supplied on the basis that the manufacturers of comply with all aspects of the WEEE & ROHS directives.

Within the tender, Scotland Excel has endeavoured to include the living wage and all recommended suppliers will comply with this within 12 months of the framework commencement date.

7. Contract Mobilisation and Management

In accordance with Scotland Excel's established Contract Supplier Management (CSM) programme, in terms of risk and spend, this framework is classified as level 2. As such, on a quarterly basis Scotland Excel will collect, analyse and review detailed supplier management information and will monitor the community benefits associated with this framework.

Standard management information will be collated in accordance with that described in the tender documentation. Achievement of key performance indicators as provided in the tender will be finalised and agreed at contract award. These will be a driver to ensure that the required service is monitored, maintained and where possible improved during the framework period. This data will form the foundation of ongoing contract and supplier management.

Any requests for price increases will be considered in accordance with the defined Scotland Excel process and evaluated against a range of market analysis indices.

8. Summary

This framework aims to provide contract users with access to the best value supplier for presentation and audio visual equipment including reactive maintenance.

Although this is a second generation framework, positive efficiencies have still been achieved through close working relationships with an already existing UIG, and ensuring a tender that incorporated a more accurate core product list that better reflects purchasing patterns.

Scotland Excel envisage that there will be a seamless transition between the existing and new framework, as currently all 32 councils actively procure presentation and audio visual equipment through 3 of the 4 suppliers being recommended for the new framework.

The Executive Sub Committee is requested to approve the recommendations to award agreements to the suppliers as detailed in Appendix 3.

Appendix 1 – Participation, Spend and Savings Summary

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Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	01 April 2015	£88,200	Contract MI - Confirmed by Member	7.0%	£6,174	Benchmarked Using Current Market Rates
Aberdeenshire Council	Yes	01 April 2015	£59,500	Contract MI - Confirmed by Member	7.0%	£4,165	Benchmarked Using Current Market Rates
Angus Council	Yes	01 April 2015	£25,000	Contract MI - Confirmed by Member	7.0%	£1,750	Benchmarked Using Current Market Rates
Argyll & Bute Council	Yes	01 April 2015	£21,500	Contract MI - Confirmed by Member	7.0%	£1,505	Benchmarked Using Current Market Rates
City of Edinburgh Council	Yes	01 April 2015	£21,300	Contract MI - Confirmed by Member	7.0%	£1,491	Benchmarked Using Current Market Rates
Clackmannanshire Council	Yes	01 April 2015	£40,000	Contract MI - Confirmed by Member	7.0%	£2,800	Benchmarked Using Current Market Rates
Comhairle nan Eilean Siar	Yes	01 April 2015	£265,900	Contract MI - Confirmed by Member	7.0%	£18,613	Benchmarked Using Current Market Rates
Dumfries & Galloway Council	Yes	01 April 2015	£50,000	Contract MI - Confirmed by Member	7.0%	£3,500	Benchmarked Using Current Market Rates
Dundee City Council	Yes	01 April 2015	£150,000	Contract MI - Confirmed by Member	7.0%	£10,500	Benchmarked Using Current Market Rates
East Ayrshire Council	Yes	01 April 2015	£13,800	Contract MI - Confirmed by Member	7.0%	£966	Benchmarked Using Current Market Rates
East Dunbartonshire Council	Yes	01 April 2015	£65,000	Contract MI - Confirmed by Member	7.0%	£4,550	Benchmarked Using Current Market Rates
East Lothian Council	Yes	01 April 2015	£146,800	Contract MI - Confirmed by Member	7.0%	£10,276	Benchmarked Using Current Market Rates
East Renfrewshire Council	Yes	01 April 2015	£500,000	Contract MI - Confirmed by Member	7.0%	£35,000	Benchmarked Using Current Market Rates
Falkirk Council	Yes	01 April 2015	£100,000	Contract MI - Confirmed by Member	7.0%	£7,000	Benchmarked Using Current Market Rates
Fife Council	Yes	01 April 2015	£542,100	Contract MI - Confirmed by Member	7.0%	£37,947	Benchmarked Using Current Market Rates
Glasgow City Council	Yes	01 April 2015	£402,150	Contract MI - Confirmed by Member	7.0%	£28,151	Benchmarked Using Current Market Rates
Highland Council	Yes	01 April 2015	£25,600	Contract MI - Confirmed by Member	7.0%	£1,792	Benchmarked Using Current Market Rates
Inverclyde Council	Yes	01 April 2015	£113,500	Contract MI - Confirmed by Member	7.0%	£7,945	Benchmarked Using Current Market Rates
Midlothian Council	Yes	01 April 2015	£102,000	Contract MI - Confirmed by Member	7.0%	£7,140	Benchmarked Using Current Market Rates
North Ayrshire Council	Yes	01 April 2015	£125,000	Contract MI - Confirmed by Member	7.0%	£8,750	Benchmarked Using Current Market Rates
North Lanarkshire Council	Yes	01 April 2015	£85,000	Contract MI - Confirmed by Member	7.0%	£5,950	Benchmarked Using Current Market Rates
Orkney Islands Council	Yes	01 April 2015	£500,000	Contract MI - Confirmed by Member	7.0%	£35,000	Benchmarked Using Current Market Rates
Perth & Kinross Council	Yes	01 April 2015	£5,000	Contract MI - Confirmed by Member	7.0%	£350	Benchmarked Using Current Market Rates
Renfrewshire Council	Yes	01 April 2015	£30,000	Contract MI - Confirmed by Member	7.0%	£2,100	Benchmarked Using Current Market Rates
Scottish Borders Council	Yes	01 April 2015	£250,000	Contract MI - Confirmed by Member	7.0%	£17,500	Benchmarked Using Current Market Rates
Shetland Islands Council	Yes	01 April 2015	£77,350	Contract MI - Confirmed by Member	7.0%	£5,415	Benchmarked Using Current Market Rates
South Ayrshire Council	Yes	01 April 2015	£10,000	Contract MI - Confirmed by Member	7.0%	£700	Benchmarked Using Current Market Rates
South Lanarkshire Council	Yes	01 April 2015	£72,200	Contract MI - Confirmed by Member	7.0%	£5,054	Benchmarked Using Current Market Rates
Stirling Council	Yes	01 April 2015	£100,000	Contract MI - Confirmed by Member	7.0%	£7,000	Benchmarked Using Current Market Rates
The Moray Council	Yes	01 April 2015	£37,000	Contract MI - Confirmed by Member	7.0%	£2,590	Benchmarked Using Current Market Rates
West Dunbartonshire Council	Yes	01 April 2015	£15,000	Contract MI - Confirmed by Member	7.0%	£1,050	Benchmarked Using Current Market Rates
West Lothian Council	Yes	01 April 2015	£150,000	Contract MI - Confirmed by Member	7.0%	£10,500	Benchmarked Using Current Market Rates
Tayside Contracts	Yes	01 April 2015	£2,000	Contract MI - Confirmed by Member	7.0%	£140	Benchmarked Using Current Market Rates
Scottish Parliament	Yes	01 April 2015	£10,000	Contract MI - Confirmed by Member	7.0%	£700	Benchmarked Using Current Market Rates
NHS	Yes	01 April 2015	£5,000	Contract MI - Confirmed by Member	7.0%	£350	Benchmarked Using Current Market Rates
Totals			£4,205,900.00			£294,413.00	

Name of Company	SME Status	City / County
ACI Integrated Solutions Ltd	Small	Glasgow
Airwave Europe Ltd	Small	Billingshurst
AVM Impact Ltd*	Large	Sunbury –on-Thames
Cameron Communications Ltd	Small	Glasgow
Capita IT Services Limited	Large	Glasgow
Irruptus Limited (t/a Efficient Infrastructure Solutions)*	Small	Glasgow
FES Support Services Ltd	Large	Stirling
GV Multi Media Ltd	Medium	Lutterworth
Insight Direct (UK) Ltd	Large	Edinburgh
Mediascape Ltd	Small	Glasgow
Pacific Computers	Small	Basingstoke
SSUK Ltd*	Small	Glasgow
TCIB Installations*	Small	Wishaw

*Recommended for award

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Scoring and Recommendations

Appendix 3

Tenderer	Score
AVM Impact Ltd*	94.84
SSUK Ltd*	90.49
TCIB Installations*	89.63
Irruptus Limited (t/a Efficient Infrastructure Solutions)*	88.29
ACI Integrated Solutions Ltd	78.33
Cameron Communications Ltd	78.29
Capita IT Services Limited	75.93
Mediascape Ltd	72.61
Insight Direct (UK) Ltd	71.92
Airwave Europe Ltd	58.15
Pacific Computers	54.00
FES Support Services Ltd	50.21

*Recommended for award

NB: GV Multi Media Ltd submitted no financial information therefore their offer was not considered.