

Scotland Excel

To: Executive Sub Committee

On: 16th September 2016

**Report
by
Director Scotland Excel**

Tender: Supply and Delivery of Catering Sundries

Schedule: 09-15

Period: 01 August 2016 – 31 July 2020

1. Introduction and Background

This framework will provide councils with a mechanism to procure a range of Catering Sundries products including disposable cups, tableware, food containers, food packaging, cookware, crockery, cutlery, glassware, utensils and other table service wares, for use within council catering environments including schools, cafes and restaurants, corporate and civic locations, leisure centres, community centres and social work premises.

The renewal incorporates a number of enhancements to the current framework including a wider range of sustainable products, added value and community benefits.

2. Scope, Participation and Spend

As part of strategy development for this framework a core product review was conducted against the current framework incorporating the updated range of products as summarised in Table 1. The lotting structure aligns with councils' requirements and the current structure of the market place. The lotting strategy continues to maximise opportunities for SMEs.

Table 1: Lotting Structure

<i>Lot No</i>	<i>Description</i>	<i>No of Products</i>	<i>Estimated % of Spend</i>
1	Catering Disposables	128	57%
2	Catering Sundries	165	36%
3	Trolleys	7	3%
4	Insulated Containers	21	4%

As detailed in Appendix 1, 31 councils and Tayside Contracts have confirmed their intention to participate in this framework.

The forecast council spend of £3.17 million per annum across all 4 lots is based on the historical spend of councils. However, this framework was advertised at £6 million per annum to allow for increased participation and to take account of the increasing energy prices in the manufacture of paper, metals and plastic and the additional spend through the potential introduction for free school meals for primary children in the life of this framework.

3. Procurement Process

It was agreed at the regional Commercial User Intelligence Groups (UIGs) that there was no requirement to hold strategy and recommendation UIGs' for this the tender as this was the third generation framework and the risks attached to the framework were low. However, the established UIG was consulted at every stage of the framework life cycle. A technical group was assigned to evaluating the three technical method statements. The councils' confirmed participation, spend and logistical information through surveys, slides. The group were informed on the evaluation, recommendation and implementation of this framework to ensure that it fully met the requirements of all participating councils.

A Prior Information Notice (PIN) was published on 24 December 2015 via the Public Contracts Scotland advertising portal, which resulted in expressions of interest from 30 organisations. Meetings with potential bidders' including incumbent and new suppliers were held to discuss markets trends, sustainability and innovation.

This framework was advertised on the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal on the 7 April 2016. The tender process was conducted using the Public Contracts Scotland Tender (PCS-Tender) system.

The procurement process followed an open tendering procedure. At the first stage tender 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 of the process, the offers were evaluated against the following criteria and weightings.

Technical	18%
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Commercial	82%
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Within the technical section, bidders' were required to evidence their knowledge and experience by responding to 3 method statements with covered areas including sustainability, added value and community benefits.

Within the commercial section, bidders' were invited to offer on a lot by lot basis for a net delivered price for each of the core products used by councils.

A key objective for the renewal framework was to facilitate the availability of sustainable products such as biodegradable plates and bowls in order to assist councils in achieving recycling targets and accreditation where required and provide price stability to minimise the impact on council budgets.

Bidders' were also invited to offer discounts per lot for the supply of non-core items.

4. Report on Offers Received

The tender document was downloaded by 34 organisations, with 14 tender responses received.

All respondents passed the first stage quality assessment.

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

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

Based on the evaluation undertaken, and in line with the criteria and weightings set out above, it is recommended that a multi supplier framework agreement is awarded to 10 suppliers across the 4 lots as outlined in Appendix 3.

As well as offering best value, the 10 recommended suppliers represent a mix of small, medium and large organisations, with 5 of the recommended suppliers having SME status. (Refer Appendix 2).

6. Benefits

Savings

Based on their individual current quantities of core and non core products (where applicable) purchased, Scotland Excel conducted benchmarking exercises for each council comparing current prices paid against those of the recommended suppliers. The result of this benchmarking demonstrated an average saving of 7%.

The overall savings outlined in Appendix 1 of this report is based on the estimated spend levels that were provided at the contract development stage.

Price Stability

For all lots, suppliers have agreed to hold both core and non - core pricing for the first 12 months of the contract and thereafter reviewed annually. Any requests for price increases from suppliers will be in accordance with the defined Scotland Excel process and evaluated against a range of appropriate market analysis indices.

Sustainable Procurement Benefits

This framework included scored elements relating to sustainability.

Bidders' were invited to offer solutions to assist councils in meeting sustainability targets. Solutions offered by suppliers included product/service design, using carriers who consolidate delivery journeys thereby reducing carbon emissions, annual reviews to ensure reduction of waste is maintained and improved and to work with manufacturers to ensure minimum packaging of goods.

Community Benefits

Bidders' were asked to detail community benefits that they will commit to deliver to Councils during the lifetime of the contract. Suppliers will report the community benefits to Scotland Excel on a quarterly basis. A range of community benefits offered by suppliers include:

- Sponsorship
- Work Experience
- Donations

Fair work practices including living wage

Bidders' were also required to provide details of their commitment to paying the Scottish living wage. The recommended bidders' pay the national living wage to all their staff with the exception of a small number of first and second year level apprentices whose rates of pay are dictated by the Scottish Joint Industry Board and Scottish Electrical Charitable Trust. Of the 10 suppliers that are proposed for award

- Four bidders' confirmed that they were accredited living wage employers
- One bidders' confirmed that they committed to gaining accreditation over the initial two years period of the framework
- Three bidders' confirmed that they were not accredited living wage employers but pay the living wage to all employees (except volunteers, apprentices and interns)
- Two bidders' confirmed that they do not currently pay the living wage to all employees.

Scotland Excel includes monitoring fair work practices and living wage within its contract and supplier management programme. Scotland Excel will encourage all awarded suppliers who are not currently paying employees the living wage to meet the Scotland Excel working practices policy.

7. Contract Mobilisation and Management

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

This framework will be contract managed in line with the Scotland Excel level 2 contract management model. This model includes quarterly management information reviews, six monthly core product reviews and six monthly supplier management meetings.

8. Summary

This framework for the supply and delivery of catering supplies aims to maximise collaboration, promote added value, sustainability and deliver best value.

The new light touch approach used for contacting User Intelligence members was received well by all Councils.

A range of benefits can be reported in relation to continued savings, price stability and community benefits. Enhancements in this third generation of the framework include; core product reviews every 6 months to ensure that council requirements are being met and to increase the availability of sustainable products in order to assist councils in achieving recycling targets.

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

Appendix 1 - Savings

Member Name	Participation on 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	17/10/2016	£151,103	Contract MI - Confirmed by Member	3.7%	5,609	Benchmarked Current Contract
Aberdeenshire Council	Yes	17/10/2016	£172,298	Contract MI - Confirmed by Member	11.2%	19,275	Benchmarked Current Contract
Angus Council	Yes	17/10/2016	£14,378	Contract MI - Confirmed by Member	2.5%	£354	Benchmarked Current Contract
Argyll & Bute Council	Yes	17/10/2016	£54,805	Contract MI - Confirmed by Member	3.0%	£1,590	Benchmarked Current Contract
City of Edinburgh Council	Yes	17/10/2016	£190,039	Contract MI - Confirmed by Member	9.9%	£18,919	Benchmarked Current Contract
Clackmannanshire Council	Yes	17/10/2016	£46,172	Contract MI - Confirmed by Member	-0.8%	-£376	Benchmarked Current Contract
Comhairle nan Eilean Siar	Yes	17/10/2016	£11,813	Contract MI - Confirmed by Member	1.2%	£155	Benchmarked Current Contract
Dumfries & Galloway Council	Yes	17/10/2016	£89,201	Contract MI - Confirmed by Member	2.5%	£2,195	Benchmarked Current Contract
Dundee City Council	Yes	17/10/2016	£5,723	Contract MI - Confirmed by Member	3.9%	£225	Benchmarked Current Contract
East Ayrshire Council	Yes	17/10/2016	£91,447	Contract MI - Confirmed by Member	6.0%	£5,498	Benchmarked Current Contract
East Dunbartonshire Council	Yes	17/10/2016	£76,683	Contract MI - Confirmed by Member	12.4%	£9,551	Benchmarked Current Contract
East Lothian Council	Yes	17/10/2016	£33,821	Contract MI - Confirmed by Member	4.0%	£1,363	Benchmarked Current Contract
East Renfrewshire Council	Yes	17/10/2016	£120,908	Contract MI - Confirmed by Member	4.1%	£4,932	Benchmarked Current Contract
Falkirk Council	Yes	17/10/2016	£12,060	Contract MI - Confirmed by Member	12.2%	£4,722	Benchmarked Current Contract
Fife Council	TBC	17/10/2016	£231,618	Contract MI - Confirmed by Member	5.2%	£12,136	Benchmarked Current Contract
Glasgow City Council	No	N/A	N/A	N/A	0.0%	£0	Benchmarked Current Contract
Highland Council	Yes	17/10/2016	£80,762	Contract MI - Confirmed by Member	10.0%	£8,089	Benchmarked Current Contract
Inverclyde Council	Yes	17/10/2016	£42,836	Contract MI - Confirmed by Member	12.4%	£5,373	Benchmarked Current Contract
Midlothian Council	Yes	17/10/2016	£46,726	Contract MI - Confirmed by Member	5.5%	£2,548	Benchmarked Current Contract
North Ayrshire Council	Yes	17/10/2016	£120,771	Contract MI - Confirmed by Member	12.6%	£15,250	Benchmarked Current Contract
North Lanarkshire Council	Yes	17/10/2016	£281,775	Contract MI - Confirmed by Member	10.2%	£28,677	Benchmarked Current Contract
Orkney Islands Council	Yes	17/10/2016	£4,780	Contract MI - Confirmed by Member	1.4%	£65	Benchmarked Current Contract
Perth & Kinross Council	Yes	17/10/2016	£50,560	Contract MI - Confirmed by Member	1.0%	£486	Benchmarked Current Contract
Renfrewshire Council *	Yes	17/10/2016	£184,770	Contract MI - Confirmed by Member	11.3%	£19,848	Benchmarked Current Contract
Scottish Borders Council	Yes	17/10/2016	£96,745	Contract MI - Confirmed by Member	7.6%	£7,598	Benchmarked Current Contract
Shetland Islands Council	YES	17/10/2016	£2,180	Contract MI - Confirmed by Member	6.6%	£142	Benchmarked Current Contract
South Ayrshire Council	Yes	17/10/2016	£67,580	Contract MI - Confirmed by Member	11.6%	£7,841	Benchmarked Current Contract
South Lanarkshire Council	Yes	17/10/2016	£310,972	Contract MI - Confirmed by Member	5.4%	£17,161	Benchmarked Current Contract
Stirling Council	Yes	17/10/2016	£26,464	Contract MI - Confirmed by Member	5.4%	£1,419	Benchmarked Current Contract
The Moray Council	Yes	17/10/2016	£30,542	Contract MI - Confirmed by Member	3.3%	£7,455	Benchmarked Current Contract
West Dunbartonshire Council	Yes	17/10/2016	£46,279	Contract MI - Confirmed by Member	4.5%	£1,377	Benchmarked Current Contract
West Lothian Council	Yes	17/10/2016	£299,799	Contract MI - Confirmed by Member	6.8%	£3,148	Benchmarked Current Contract
Tayside Contracts	Yes	17/10/2016	£226,714	Contract MI - Confirmed by Member	3.5%	£7,826	Benchmarked Current Contract
Totals			£1,920,255		7.0%	£220,451	

* Renfrewshire Council had a change of supplier through the tender process resulting in the 2014- 15 benchmarking figures being unrepresentative when calculating the % Estimated

Forecast Savings and Estimated Annual Savings. The Council will be completing their own benchmarking after award.

Appendix 2 - SME Status

Tenderer's Name	SME Status	Location	Lots Tendered
Alliance Disposables Ltd	Large	Crewe	Lot 1, Lot 2, Lot 3, Lot 4
BFS Group Limited	Large	Glasgow	Lot 2, Lot 3, Lot 4
Brake Bros Limited	Large	Ashford	Lot 1, Lot 2, Lot 3, Lot 4
Bunzl Catering Supplies	Large	Epsom	Lot 1
Lockhart Catering Equipment Limited	Large	Glasgow	Lot 2, Lot 3, Lot 4
GMC Corsehill Ltd	Small	Irvine	Lot 1, Lot 2, Lot 3, Lot 4
Instock Disposables Limited	Large	Aberdeen	Lot 1, Lot 2, Lot 3, Lot 4
Lovat's Catering Equipment Limited	Small	Kirkcaldy	Lot 3, Lot 4
Marshall Wilson Packaging Limited	Small	Glasgow	Lot 1, Lot 2
Nisbets Plc	Large	Bristol	Lot 1, Lot 2, Lot 3, Lot 4
Reward Manufacturing Company Limited	Small	Skipton	Lot 3
Reynards (Scotland) Ltd	Medium	Manchester	Lot 1
Tri-Star Packaging Supplies Ltd	Large	Enfield	Lot 1
Unico Limited	Large	Falkirk	Lot 1

Appendix 3 - Scoring and Recommendations

Lot 1 - Catering Sundries	Final Technical Score	Final Commercial Score	Final Score
Alliance Disposables Ltd*	82.00	13.50	95.50
Instock Disposables Limited*	80.90	13.25	94.15
Bunzl Catering Supplies*	76.24	13.25	89.49
Unico Limited*	76.15	12.00	88.15
GMC Corsehill Ltd*	66.02	18.00	84.02
Tri-Star Packaging Supplies Ltd*	71.20	9.50	80.70
Brakes Plc*	62.20	16.25	78.45
Nisbets Plc	47.93	18.00	65.93
Reynards UK Ltd	59.75	4.50	64.25
Marshall Wilson Packaging Ltd	54.26	4.50	58.76

Lot 3 - Trolleys	Final Technical Score	Final Commercial Score	Final Score
Nisbets Plc *	82.00	18.00	100.00
Bunzl Uk Ltd ta Lockhart Catering	41.35	16.25	57.60
GMC Corsehill Ltd	38.83	18.00	56.83
Lovats Catering	34.09	9.25	43.34
Brakes PLC	24.17	16.25	40.42
Alliance Disposables Ltd	21.91	13.50	35.41
Instock Disposables Limited	20.41	13.25	33.66
Reward Manufacturing Co Ltd	20.70	7.00	27.70
Bidvest	16.72	9.00	25.72

Lot 2 - Catering Disposables	Final Technical Score	Final Commercial Score	Final Score
Nisbets Plc*	82.00	18.00	100.00
Bunzl Uk Ltd t/a Lockhart Catering	64.89	16.25	81.14
Brakes*	63.94	16.25	80.19
Bidvest Catering Supplies*	65.16	9.00	74.16
Alliance Disposables Ltd*	57.78	13.50	71.28
Instock Disposables Limited*	57.66	13.25	70.91
GMC Corsehill Ltd*	46.07	18.00	64.07
Marshall Wilson Packaging Ltd	54.03	4.50	58.53

Lot 4 - Insulated Containers	Final Technical Score	Final Commercial Score	Final Score
Nisbets Plc*	82.00	18.00	100.00
Brakes*	61.76	16.25	78.01
Bunzl Uk Ltd ta Lockhart Catering*	60.27	16.25	76.52
Instock Disposables Limited*	59.03	13.25	72.28
Alliance Disposables Ltd*	55.27	13.50	68.77
Bidvest	52.34	9.00	61.34
Lovats Catering	50.90	9.25	60.15
GMC Corsehill Ltd	41.21	18.00	59.21

*denotes recommended for award