

## **Scotland Excel**

**To: Executive Sub-Committee**

**On: 10 December 2021**

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

**Tender: Supply and Delivery of Musical Instruments**

**Schedule: 13/21**

**Period: 1 December 2021 until 30 November 2024 with an option to extend for up to 12 months until 30 November 2025**

### **1. Introduction and Background**

This recommendation is for the award of new framework for the Supply and Delivery of Musical Instruments.

This proposed framework was advertised for the period from 1 December 2021 until 30 November 2024 with the option to extend for up to 12 months until 30 November 2025, the effective date of commencement of the framework will be confirmed upon award.

This framework will provide councils and other participating bodies with a mechanism to procure a wide range of musical instruments and associated accessories. The musical instruments to be supplied under this framework were previously included within Lot 7 of the Education Materials Framework, Schedule 12/20 which was tendered during summer 2021. However, as noted in the report to the Executive Sub-Committee of 18 June 2021, in order to adequately account for the impact of recent pandemic restrictions on retail businesses in this sector, and to ensure market preparedness for a tender, Scotland Excel did not proceed to award Lot 7, Musical Instruments. This procurement was subsequently undertaken as a separate exercise. Users of the framework are likely to include schools and nurseries, including those for children with Additional Support Needs.

### **2. Scope, Participation and Spend**

As part of the strategy development, the User Intelligence Group (UIG) endorsed the inclusion of a single lot as summarised in Table 1. This lot structure represents council requirements, whilst also recognising the structure of the marketplace.

**Table 1: Lotting Structure**

<b>Lot No.</b>	<b>Description</b>	<b>Estimated % Spend through lot</b>
1	Musical Instruments	100%

Tenderers were asked to indicate their ability to supply by council/geographical area. The Tender Documents advised Tenderers that the evaluation of the Tender and any resulting awards will be made to the extent of these council/geographical areas.

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 £1.75 million per annum. This equates to an estimated spend of £7 million over the maximum 4-year term of the framework.

### **3. Procurement Process**

A Prior Information Notice (PIN) was published on 29 June 2021, which resulted in expressions of interest from 21 organisations. Prospective bidders were given the opportunity to engage in meetings and provide Scotland Excel with information in relation to, but not limited to; market intelligence, market trends, sustainability initiatives and community benefits to help inform the strategy.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 6 October 2021, 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: 30%  
Commercial: 70%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including: Service Delivery and Contract Management, E-catalogue and Catalogue Management, Transport and Delivery Logistics, Environmental Practices and Sustainability, Supply Chain, Added Value and Innovation and Fair

Work Practices. 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**

<b>Question</b>	<b>Description</b>	<b>Weighting</b>
1	Service Delivery and Contract Management	4
2	E-Catalogue and Catalogue Management	4
3	Transport and Delivery Logistics	4
4	Environmental Practices and Sustainability	4
5	Supply Chain, Added Value and Innovation	4
6	Fair Work Practices	4
7	Community Benefits	6
<b>Total Score</b>		<b>30</b>

Within the commercial section, bidders were invited to offer on a line-by-line basis. Fixed pricing for 12 months was required for the lot.

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

The tender document was downloaded by 18 organisations, with 10 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 10 suppliers across lot 1 as outlined in Appendix 3.

The 10 recommended suppliers offer best value and represent a mix of micro, small and medium organisations.

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

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework as detailed within Appendix 3 (Scoring and Recommendations).

## **6. Benefits**

### **Savings**

Scotland Excel has conducted a benchmarking exercise comparing current prices paid with the prices submitted against the new framework. In order to conduct an accurate comparison, benchmarking was carried out across a common basket of products as this covered the majority of supplier spend from the current framework. The benchmarking exercise took a basket of products for those affected suppliers from the current framework and compared a representative basket of products for the same affected suppliers against the submitted prices received for the renewal framework. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 5%, which equates to an estimated total saving of approximately £45k per annum.

### **Price Stability**

The framework applies twelve months fixed pricing for lot 1. 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.

### **Sustainable Procurement Benefits**

Within the technical section of the tender, an environmental practices and sustainability method statement assessed suppliers in relation to their corporate approach to environmental practices sustainability and how they manage the reduction of unnecessary waste, ensure recycling and reuse of packaging is carried out where possible, intend to reduce the use of single use plastics (SUP's) and identify alternatives to these products. A range of sustainable measures were outlined by suppliers including:

- New products such as Jute bags to reduce cardboard wastage.
- Bio-degradable shrink wraps.
- Only sourcing recycling packaging and a cradle to grave approach.
- Reducing SUP's and continually looking for new methods of packaging.

### **Community Benefits**

Scotland Excel is committed to maximising community benefit delivery for its members. Bidders were asked to confirm whether they were willing to comply with the community benefits approach for the lifetime of the framework. This approach is designed to deliver local community benefits based on individual member spend thresholds and all 10 recommended suppliers have confirmed their acceptance.

The community benefits approach focused on supporting the Scottish Government's National Performance Framework, and the benefits delivered should support, but are not limited to, the following indicators:

- Improve the skill profile of the population
- Improve levels of educational attainment
- Increase the proportion of young people in learning, training or work
- Improve people's perception of the quality of public services
- Reduce children's deprivation
- Increase cultural engagement

Suppliers have agreed to report ongoing delivery of community benefits to Scotland Excel on a six-monthly basis.

Delivery of commitments made will be monitored throughout the lifetime of the framework.

### **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 10 recommended bidders, all 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 the Real Living Wage status during contract and supplier management.

## **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.

The framework has been established using a % discount off Recommended Retail Price (RRP) to ensure councils have access to the required variety and scope of products. Scotland Excel will work with awarded suppliers to compile e-catalogues and Punch-Out information to support councils to utilise this 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 framework for the supply and delivery of musical instruments maximises collaboration, facilitates the procurement of a vast array of musical instruments, promotes added value and delivers best value in terms of price, quality, and service.

The Executive Sub Committee is requested to approve the recommendation detailed in Section 5 (Recommendations) of the report, to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations).

## Appendix 1 – Participation, Spend and Savings Summary

### Supply and Delivery of Musical Instruments 13/21

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 December 2021	£18,603	Scotland Excel Management Information	0.5%	5%	£930	Benchmarked Current Framework
Aberdeenshire Council	Yes	01 December 2021	£25,920	Scotland Excel Management Information	0.5%	5%	£1,296	Benchmarked Current Framework
Angus Council	Yes	01 December 2021	£6,144	Scotland Excel Management Information	0.5%	5%	£307	Benchmarked Current Framework
Argyll & Bute Council	Yes	01 December 2021	£25,519	Scotland Excel Management Information	0.5%	5%	£1,276	Benchmarked Current Framework
City of Edinburgh Council	Yes	01 December 2021	£70,924	Scotland Excel Management Information	0.5%	5%	£3,546	Benchmarked Current Framework
Clackmannanshire Council	Yes	01 December 2021	£4,225	Scotland Excel Management Information	0.5%	5%	£211	Benchmarked Current Framework
Comhairle nan Eilean Siar	Yes	01 December 2021	£277	Scotland Excel Management Information	0.5%	5%	£14	Benchmarked Current Framework
Dumfries & Galloway Council	Yes	01 December 2021	£15,673	Scotland Excel Management Information	0.5%	5%	£784	Benchmarked Current Framework
Dundee City Council	Yes	01 December 2021	£45,479	Scotland Excel Management Information	0.5%	5%	£2,274	Benchmarked Current Framework
East Ayrshire Council	Yes	01 December 2021	£51,266	Scotland Excel Management Information	0.5%	5%	£2,563	Benchmarked Current Framework
East Dunbartonshire Council	Yes	01 December 2021	£43,511	Scotland Excel Management Information	0.5%	5%	£2,176	Benchmarked Current Framework
East Lothian Council	Yes	01 December 2021	£27,059	Scotland Excel Management Information	0.5%	5%	£1,353	Benchmarked Current Framework
East Renfrewshire Council	Yes	01 December 2021	£31,658	Scotland Excel Management Information	0.5%	5%	£1,583	Benchmarked Current Framework
Falkirk Council	Yes	01 December 2021	£19,297	Scotland Excel Management Information	0.5%	5%	£965	Benchmarked Current Framework
Fife Council	Yes	01 December 2021	£73,495	Scotland Excel Management Information	0.5%	5%	£3,675	Benchmarked Current Framework
Glasgow City Council	Yes	01 December 2021	£84,553	Scotland Excel Management Information	0.5%	5%	£4,228	Benchmarked Current Framework
Highland Council	Yes	01 December 2021	£34,675	Scotland Excel Management Information	0.5%	5%	£1,734	Benchmarked Current Framework
Inverclyde Council	Yes	01 December 2021	£11,497	Scotland Excel Management Information	0.5%	5%	£575	Benchmarked Current Framework
Midlothian Council	Yes	01 December 2021	£6,328	Scotland Excel Management Information	0.5%	5%	£316	Benchmarked Current Framework
Moray Council	Yes	01 December 2021	£17,361	Scotland Excel Management Information	0.5%	5%	£868	Benchmarked Current Framework
North Ayrshire Council	Yes	01 December 2021	£35,199	Scotland Excel Management Information	0.5%	5%	£1,760	Benchmarked Current Framework
North Lanarkshire Council	Yes	01 December 2021	£50,107	Scotland Excel Management Information	0.5%	5%	£2,505	Benchmarked Current Framework
Orkney Islands Council	Yes	01 December 2021	£4,328	Scotland Excel Management Information	0.5%	5%	£216	Benchmarked Current Framework
Perth & Kinross Council	Yes	01 December 2021	£17,612	Scotland Excel Management Information	0.5%	5%	£881	Benchmarked Current Framework
Renfrewshire Council	Yes	01 December 2021	£56,596	Scotland Excel Management Information	0.5%	5%	£2,830	Benchmarked Current Framework
Scottish Borders Council	Yes	01 December 2021	£10,412	Scotland Excel Management Information	0.5%	5%	£521	Benchmarked Current Framework
Shetland Islands Council	Yes	01 December 2021	£381	Scotland Excel Management Information	0.5%	5%	£19	Benchmarked Current Framework
South Ayrshire Council	Yes	01 December 2021	£26,909	Scotland Excel Management Information	0.5%	5%	£1,345	Benchmarked Current Framework
South Lanarkshire Council	Yes	01 December 2021	£40,130	Scotland Excel Management Information	0.5%	5%	£2,007	Benchmarked Current Framework
Stirling Council	Yes	01 December 2021	£5,583	Scotland Excel Management Information	0.5%	5%	£279	Benchmarked Current Framework
West Dunbartonshire Council	Yes	01 December 2021	£7,653	Scotland Excel Management Information	0.5%	5%	£383	Benchmarked Current Framework
West Lothian Council	Yes	01 December 2021	£28,773	Scotland Excel Management Information	0.5%	5%	£1,439	Benchmarked Current Framework
<b>Totals</b>			<b>£897,142</b>			<b>5.0%</b>	<b>£44,857</b>	

## Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lot(s) Tendered	Lot(s) Awarded
Band Supplies Limited	Small	Glasgow, Glasgow City	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
Frederick Hyde Limited t/a Chamberlain Music	Medium	Haslemere, Surrey	Lot 1 (27 Council Areas – excludes Argyll & Bute Council, Comhairle nan Eilean Siar, Highland Council, Orkney Islands Council, Shetland Islands Council)	Lot 1 (27 Council Areas – excludes Argyll & Bute Council, Comhairle nan Eilean Siar, Highland Council, Orkney Islands Council, Shetland Islands Council)
Haydock Music Limited	Micro	Milngavie, Glasgow City	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
K G Music Limited t/a Kenny's Music	Small	Dunfermline, Fife	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
Normans (Burton Upon Trent) Limited	Small	Burton upon Trent, Staffordshire	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
Rainbow Musical Instruments Limited	Micro	Dundee, Dundee City	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
Robert Geary Ltd	Micro	Johnstone, Renfrewshire	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
Stringers of Edinburgh Limited	Micro	Edinburgh City	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
The Wind Section Limited	Micro	Edinburgh City	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)
YPO (Yorkshire Purchasing Organisation)	Medium	Wakefield, West Yorkshire	Lot 1 (all 32 Council Areas)	Lot 1 (all 32 Council Areas)



### Appendix 3 - Scoring and Recommendations

<b>LOT 1 – MUSICAL INSTRUMENTS</b>			
<b>Tenderer</b>	<b>SCORE</b>	<b>Awarded (Yes/No)</b>	<b>Lot(s) and Council Areas Awarded</b>
<b>Band Supplies Limited</b>	96.00	Yes	Lot 1 (all 32 Council Areas)
<b>Haydock Music Limited</b>	83.21	Yes	Lot 1 (all 32 Council Areas)
<b>The Wind Section Limited</b>	70.81	Yes	Lot 1 (all 32 Council Areas)
<b>Frederick Hyde Limited t/a Chamberlain Music</b>	68.31	Yes	Lot 1 (27 Council Areas) (excludes Argyll & Bute Council, Comhairle nan Eilean Siar, Highland Council, Orkney Islands Council, Shetland Islands Council)
<b>Normans (Burton Upon Trent) Limited</b>	67.47	Yes	Lot 1 (all 32 Council Areas)
<b>YPO (Yorkshire Purchasing Organisation)</b>	64.71	Yes	Lot 1 (all 32 Council Areas)
<b>Stringers of Edinburgh Limited</b>	64.45	Yes	Lot 1 (all 32 Council Areas)
<b>K G Music Limited t/a Kenny's Music</b>	60.28	Yes	Lot 1 (all 32 Council Areas)
<b>Rainbow Musical Instruments Limited</b>	56.85	Yes	Lot 1 (all 32 Council Areas)
<b>Robert Geary Ltd</b>	48.32	Yes	Lot 1 (all 32 Council Areas)

## 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
Band Supplies Limited				Yes		
Frederick Hyde Ltd t/a Chamberlain Music				Yes		
Haydock Music Limited				Yes		
K G Music Limited t/a Kenny's Music	Yes					
Normans (Burton Upon Trent) Limited				Yes		
Rainbow Musical Instruments Ltd				Yes		
Robert Geary Ltd				Yes		
Stringers of Edinburgh Limited				Yes		
The Wind Section Limited				Yes		
YPO (Yorkshire Purchasing Organisation)	Yes					

## **Appendix 5 – Segmentation classifications**

1321 Supply and Delivery of Musical Instruments 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.