

Scotland Excel

To: Executive Sub-Committee

On: 19 August 2022

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

Tender: Provision and Delivery of Washroom Solution and Sanitary Products

Schedule: 0122

Period: 1 October 2022 until 30 September 2026

1. Introduction and Background

The current framework for Provision and Delivery of Washroom Solutions and Sanitary Products expires on 30 September 2022. This proposed framework will be for a period of four years from 1 October 2022 until 30 September 2026, which, subject to approval and completion of a standstill period, is anticipated to be 1 October 2022.

This framework will provide councils and associate members with a mechanism to procure a range of products and services including sanitary waste disposal, nappy waste disposal, sanitisers, air fresheners, sharps disposal, and medical waste disposal. An “on-loan” provision is also included for certain equipment, which is free of charge to Scotland Excel members, and also a second lot for sanitary products to support the Scottish Government’s commitment to promote dignity to women in educational establishments by providing free sanitary wear.

This report summarises the outcome of the procurement process for this national framework arrangement and presents recommendations for award.

2. Scope, Participation and Spend

As part of the strategy development, the commercial user intelligence group steering group (CUIG-SG) endorsed the inclusion of 2 lots as summarised in Table 1.

Table 1: Lotting Structure

Lot Number	Lot Name	Estimated Spend %
1	Washroom Solutions	75%
2	Sanitary Products	25%

The lotting structure recognises the importance of councils being able to procure a range of washroom solution services and sanitary products.

As detailed in Appendix 1, 31 councils and Tayside Contracts have confirmed their intention to participate in this framework and all 32 councils were included in the advertised contract notice.

The framework was advertised at a total value of £6 million per annum, which equates to an estimated spend of £24 million over the maximum 4-year term of the framework. This advertised spend allows for increased participation from councils and associate members not currently utilising the framework. It also allows for increased spend due to additional requirements as a result of:

- The increased requirement for additional products and disposal of nappy waste due to the Scottish Government's pledge to increase the provision of free early learning and childcare provision to 1140 hours per year by the end of 2022.
- The Scottish Government Period Products (Free Provision) (Scotland) Act 2021 ("the Act")

3. Procurement Process

A Prior Information Notice (PIN) was published in relation to this framework on 28 February 2022 which resulted in expressions of interest from 19 companies. Several supplier engagement meetings were held to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from tenderers including Small to Medium Enterprises (SME's).

The Contract Notice was published via the Find a Tender and Public Contracts Scotland (PCS) portal on 30 May 2022, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the legal guidelines and procedures currently in place.

The commercial user intelligence group steering group (CUIG-SG) have endorsed a 'fast-tracked' approach to opportunities meaning a more flexible approach to stakeholder engagement was taken. As a matter of best practice and to ensure that the framework aligned with the councils' requirements, a programme of consultation was conducted to understand current purchasing practices and future requirements that could be covered by this framework. This information was used to generate the specifications and selection/award criteria.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus pandemic. Balancing the current situation with the need to provide a route to market for councils to obtain washroom solutions and sanitary products, Scotland Excel has determined to proceed with the tender exercise to establish the above framework. Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and determined it was

appropriate to undertake this renewal tender exercise and recommend the establishment of this framework.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation. All suppliers were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the stated award criteria for each lot of:

- Technical 30%
- Commercial 70%

Within the technical section, suppliers were required to evidence their knowledge and experience by responding to a series of technical areas which are detailed within Table 2 below.

Table 2: Technical Scoring

Questions - Technical Section LOT 1 WASHROOM SOLUTIONS	Points Available
Customer Communication and Staff Resources	4
Fair Work First	5
Recycling and Waste Disposal	8
Service Performance	8
Community Benefits	5
Overall Score	30

Questions - Technical Section LOT 2 SANITARY PRODUCTS	Points Available
Customer Communication and Staff Resources	4
Fair Work First	5
Recycling	10
Innovation and Added Value	6
Community Benefits	5
Overall Score	30

The commercial section of the tender was worth 70 points. Points were awarded in the commercial section based on comparison of all offers received, whilst accounting for the tenderer's response to the commercial award criteria. Whilst minimum requirements were set Scotland Excel reserved the right to consider all submissions received, all in accordance with the published tender documents.

As part of the tender, tenderers were asked to indicate their ability to supply Council areas for the duration of the framework.

Following a full evaluation of all compliant offers, scoring was completed in accordance with the published tender evaluation methodology, and a score was calculated for each tenderer.

4. Report on Offers Received

Offers were received from 11 tenderers, a summary of which is provided in Appendix 2 (List of Tenderers).

A summary of all offers received, and their SME status is provided in Appendix 2.

Following a full evaluation, scoring was completed, and 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 11 suppliers across the two lots as outlined in Appendix 3 (Scoring and Recommendations).

The recommended suppliers provide the choice, scope and range of products required by councils as well as representing best value. These suppliers also represent a mix of micro, small, medium and large organisations, with 7 of the recommended suppliers classified as SMEs, 2 of which are micro businesses.

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise on lot 1 based on the best price from the previous framework compared to the best price received in this tender using historic purchase volume information, the outcome of which details a small cost saving.

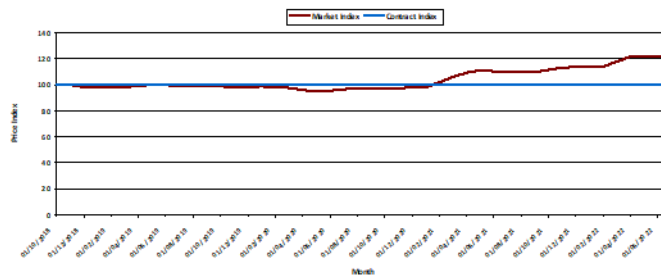
The projected average saving is 0.38% which equates to an estimated total saving of approximately £24,000 per annum across all councils based on current forecast spend levels. Although the saving is slight, given the market movement including surging energy prices, fuel pricing and elevated oil and gas prices this is seen as a positive. It should also be noted that the current framework contract is currently operating 20% under market conditions as detailed in the contract indexation report (Figure 1) This would represent a cost avoidance of approximately £1.2m against the estimated annual spend figure, as shown in Appendix 1. This saving is in addition to the conducted benchmarking exercise and is a result of tight contract management procedures.

Indexation Report - Washroom Solutions and Sanitary Products



Schedule No: 3217
Contract Title: Washroom Solutions and Sanitary Products
Contract Manager: James Kenney
Start Date: 01/10/2018

Index	Type	Index Weighting (%)
Consumer Price Index	Standard	30
Service Producer Price Index (SPPI)	Specific	30
Plasticx	Standard	20
Landfill Tax - UK Government	Specific	10
Road Fuel - Diesel	Standard	10



Notes:

The Contract Index tracks the general movement in contract prices and not the actual contract price paid. The Market Index tracks the general market movement against a weighted basket of relevant indices and not the current index levels. This report should be used as a guide only.

Produced by Scotland Excel - 07/07/2022

Figure 1 : Contract Indexation Report

Price Stability

Price Stability was not scored for this tender due to ongoing market uncertainty at the time of tendering. However, a 12-month price stability clause was included and all suppliers have agreed to this.

Subsequent pricing will then be held for a 12-month period with any price variance request within these windows being considered in accordance with the defined Scotland Excel process. All requests will be evaluated against market indices, pricing, fuel, and packaging costs.

Rebate

A rebate of 0.5% payable to Scotland Excel will apply to annual Framework Spend above £400,000 with the Contractor.

Sustainable Procurement Benefits

Within the technical section of the tender, Scotland Excel included a number of sustainability related method statements, including:

- Reducing plastics
- Recycling of Waste
- Waste Reduction Initiatives

Responses received highlight various approaches to reducing single use plastics in packaging and products, plastic free packaging and products, reusable products, carbon offsetting and switching to electric vehicles. Lot 2 of the framework had an increased focus on reusable and sustainable sanitary products in a bid to help move away from single use, disposable products.

Scotland Excel will continue to monitor any changes in legislation that may affect the framework during its lifetime and will work with successful suppliers and councils to implement these.

Community Benefits

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. All 11 recommended suppliers 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 community benefit tender documentation, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these are:

- Fundraising event for external charities / initiatives within the council
- Work placements to school students from councils
- Support local food banks and community pantry initiatives
- Support holiday hunger programmes
- Sponsorship of sports team or community event within the council to the value of £500
- Recruit a modern (or other approved) apprentice from within the council area
- Recruit one person from within the council area

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 period basis.

Fair Work First including Real Living Wage

Scotland Excel recognises the importance of fair work practices in the delivery of effective public services. Within the technical section of the tender, one of the method statements assessed tenderers on areas such as how they will commit to fair work practices. These include payment of the Real Living Wage, a fair pay

policy, improving wider diversity of staff and avoiding exploitative employment practices, such as no inappropriate use of zero hours contracts. Of the 11 recommended suppliers, 8 pay their staff the Real Living Wage. Of these, 5 are currently accredited Real Living Wage employers, 3 pay the Real Living Wage to all employees but are not accredited and 2 are committed to gaining accreditation over the initial 2 year period of the framework. Of the remaining 3, 1 supplier has committed to pay their staff the Real Living Wage over the first 2 years of the framework.

Scotland Excel will continue to monitor Fair Work Practices including encouraging further uptake by those suppliers not currently committing to paying staff the Real Living Wage, through contract and supplier management activity. Scotland Excel will also highlight to the suppliers not currently paying the Real Living Wage that while this is maintained any Real Living Wage accredited council will be unable to consider them for business.

Appendix 4 shows a breakdown of responses received from Tenderers on their approach to fair work practices and their position on the payment of the Real Living Wage.

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be invited to a contract mobilisation meeting to outline the operation of the framework. This will include roles and responsibilities, management information requirements and community benefits reporting. Suppliers and participating councils will be issued with a mobilisation pack containing all required details which will enable them to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a category D framework. As such, a contract management plan is to be developed and agreed with the Contract Steering Group (CSG), whilst monitoring management information and community benefits associated with this framework. A summary of contract and supplier management classifications can be found in Appendix 5.

Supplier performance will be monitored by the contract supplier management process where surveys will be issued to councils for feedback on elements of the framework such as quality and service. This feedback will form the basis of contract management meetings with suppliers, who will be able to review the feedback and if required initiate an improvement programme.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This is the fourth-generation framework for the Provision and Delivery of Washroom Solutions and Sanitary Products which aims to maximise collaboration, consolidate demand, 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 detailed in Section 5 (Recommendations) of the report, to award this framework to the suppliers detailed within Appendix 3 (Scoring and Recommendations).

Appendix 1 Council Participation and Spend

Member Name	Participation in New Framework	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation	% Estimated Forecast Savings	Estimated Annual Savings (£)
Aberdeen City Council	Yes	01 October 2022	£164,133	MI	20%	0.40%	£657
Aberdeenshire Council	Yes	01 October 2022	£309,794	MI	20%	0.40%	£1,239
Angus Council	Yes	01 October 2022	£120,068	Council Confirmed	20%	0.40%	£480
Argyll and Bute Council	Yes	01 October 2022	£58,506	Council Confirmed	20%	0.40%	£234
Clackmannanshire Council	Yes	01 October 2022	£49,834	MI	20%	0.40%	£199
Comharlie Nan Eilian Siar	Yes	01 October 2022	-		20%	0.40%	-
Dumfries and Galloway Council	Yes	01 October 2022	£2,421	MI	20%	0.40%	£10
Dundee City Council	Yes	01 October 2022	£836,522	Council Confirmed	20%	0.40%	£3,346
East Ayrshire Council	Yes	01 October 2022	£201,406	MI	20%	0.40%	£806
East Dunbartonshire Council	Yes	01 October 2022	£60,000	Council Confirmed	20%	0.40%	£240
East Lothian Council	Yes	01 October 2022	£110,869	Council Confirmed	20%	0.40%	£443
East Renfrewshire Council	Yes	01 October 2022	£84,395	MI	20%	0.40%	£338
Falkirk Council	Yes	01 October 2022	£65,762	Council Confirmed	20%	0.40%	£263
Fife Council	Yes	01 October 2022	£589,757	Council Confirmed	20%	0.40%	£2,359
Glasgow City Council	Yes	01 October 2022	£450,000	Council Confirmed	20%	0.40%	£1,800
Highland Council	Yes	01 October 2022	£9,047	MI	20%	0.40%	£36
Inverclyde Council	Yes	01 October 2022	£47,970	MI	20%	0.40%	£192

Midlothian Council	Yes	01 October 2022	£106,024	MI	20%	0.40%	£424
North Ayrshire Council	Yes	01 October 2022	£99,733	Council Confirmed	20%	0.40%	£399
North Lanarkshire Council	Yes	01 October 2022	£176,667	Council Confirmed	20%	0.40%	£707
Orkney Islands	Yes	01 October 2022	£4,560	MI	20%	0.40%	£18
Perth and Kinross Council	Yes	01 October 2022	£61,116	Council Confirmed	20%	0.40%	£244
Renfrewshire Council	Yes	01 October 2022	£495,682	MI	20%	0.40%	£1,983
Scottish Borders Council	Yes	01 October 2022	£124,004	Council Confirmed	20%	0.40%	£496
Shetland Islands Council	No	01 October 2022	-		20%	0.40%	-
South Ayrshire Council	Yes	01 October 2022	£193,453	Council Confirmed	20%	0.40%	£774
South Lanarkshire Council	Yes	01 October 2022	£557,856	Council Confirmed	20%	0.40%	£2,231
Stirling Council	Yes	01 October 2022	£40,992	Council Confirmed	20%	0.40%	£164
Tayside Contracts	Yes	01 October 2022	£5,132	Council Confirmed	20%	0.40%	£21
The City of Edinburgh Council	Yes	01 October 2022	£243,030	Council Confirmed	20%	0.40%	£972
The Moray Council	Yes	01 October 2022	£46,912	Council Confirmed	20%	0.40%	£188
West Dunbartonshire Council	Yes	01 October 2022	£118,703	MI	20%	0.40%	£475
West Lothian Council	Yes	01 October 2022	£138,716	Council Confirmed	20%	0.40%	£555
Associate Member Spend	Yes	01 October 2022	£416,137	MI	20%	0.40%	£1,665
Totals			£5,989,201		£1,197,840		£23,957

Appendix 2 - List of Tenderers with SME Status

Name of Tenderers	SME Status	Location	Lots Tendered	Lots Awarded
Citron Hygiene UK Limited	Large	Ashby-De-La-Zouch, England	1	1
Co-An UK Limited	Small	Perthshire, Scotland	1 & 2	1 & 2
Elis UK Limited	Large	Basingstoke, England	1	1
Eco Hygiene Care Ltd	Micro	Bristol, England	2	2
Hey Girls CIC	Small	Musselburgh, Scotland	2	2
Perfect Hygiene Limited	Small	Aberdeen, Scotland	1 & 2	1 & 2
Personnel Hygiene Services Limited	Large	Caerphilly, Wales	1 & 2	1 & 2
Rentokil Initial UK Ltd	Large	Crawley, England	1 & 2	1 & 2
TCS-Eco Ltd	Micro	Irvine, Scotland	2	2
Tots Bots Limited	Medium	Glasgow, Scotland	2	2
Unico Limited	Medium	London, England	2	2

Appendix 3 - Scoring and Recommendations

Lot 1 Washroom Solutions		
Supplier	Score	Awarded To Lot
Rentokil Initial UK Ltd	95.75	Yes
Elis UK Limited	81.39	Yes
Personnel Hygiene Services Limited	81.14	Yes
Perfect Hygiene Limited	80.85	Yes
Co-An UK Limited	70.53	Yes
Citron Hygiene UK Limited	61.26	Yes

Lot 2 Sanitary Products		
Supplier	Score	Awarded To Lot
Rentokil Initial UK Ltd	96.25	Yes
Personnel Hygiene Services Limited	83.32	Yes
Perfect Hygiene Limited	77.92	Yes
Unico Limited	70.50	Yes
Eco Hygiene Care Ltd	69.69	Yes
Hey Girls CIC	68.87	Yes
TCS-Eco Ltd	66.20	Yes
Co-An UK Limited	65.54	Yes
Tots Bots Limited	63.89	Yes

Appendix 4 - List of Recommended Suppliers with Living Wage Status

Tenderers	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
Citron Hygiene UK Limited					Yes	
Co-An UK Limited	Yes					
Elis UK Limited				Yes		
Eco Hygiene Care Ltd	Yes					
Hey Girls CIC	Yes					
Perfect Hygiene Limited			Yes			
Personnel Hygiene Services Limited						Yes
Rentokil Initial UK Ltd				Yes		
TCS-Eco Ltd	Yes					
Tots Bots Limited						Yes
Unico Limited	Yes					

Appendix 5 – Segmentation classifications

0122 Provision and Delivery of Washroom Solutions and Sanitary Products 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.