

Scotland Excel

To: Executive Sub Committee

On: 25 January 2019

**Report
by
Director Scotland Excel**

Tender: Supply, Delivery and Installation of Audio Visual Equipment

Schedule: 06-18

Period: 1 April 2019 until 31 March 2023

1. Introduction and Background

The current framework for the presentation and audio-visual equipment will expire on 31st March 2019. This recommendation is for the award of a renewal framework which will operate from 1 April 2019 until 31 March 2023.

This framework will provide councils with a mechanism to procure a range of audio visual equipment including, but not limited to, interactive touch screens; television screens; digital signage; and projectors. Users of the framework are likely to include schools, council buildings and civic centres.

The renewal incorporates a number of enhancements to the current framework, including, for the first time, a lot for additional support needs and the option to hire equipment for events.

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) endorsed the development of five lots as summarised in Table 1

Table 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Audio Visual Equipment	35%
2	Solutions	35%
3	Additional Support Needs	10%
4	Event Equipment Hire	10%
5	Service, Repair and Maintenance of Audio Visual Equipment	10%

This lotting structure recognises the current landscape of the market place and is designed to more closely align with council requirements. The lotting strategy continues to present opportunities for small to medium enterprise (SME) participation.

The framework was advertised to enable access by all 32 councils in Scotland. As detailed in Appendix 1, all 32 councils have confirmed their intention to participate in this framework.

Historical spend data suggests a forecast framework spend of c. £7.3 million per annum. The framework was advertised with a potential value of £7.5 million per annum to take account for advancements in digital technology. It should be noted however, that no guarantee is given of any business or any level of business under the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on 19 April 2018 resulting in expressions of interest from 74 companies. Market engagement led to meetings with 30 suppliers, which helped inform the delivery strategy in areas such as ability to service, market trends, community benefits as well as inclusion of potential products and specifications.

The User Intelligence Group (UIG), consisting of procurement and technical representatives from the participating councils, endorsed the procurement strategy in June 2018. A working group of technical representatives from the councils was formed to review the technical criteria to be utilised during the tender process. This group also played an integral role in evaluating technical responses from bidders.

To ensure maximum competition, the UIG agreed that an open tender process should be used, and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 17 September 2018. The tender process was conducted using the Public Contracts Scotland Tender system (PCS-T).

The procurement process followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD). Within the ESPD, tenderers are required to answer a number of exclusionary questions along with questions on insurance, financial standing, quality management, health and safety and environmental management.

At the second stage of the process, offers were evaluated against the following criteria and weightings, with the technical scoring breakdown shown in table 2 below:

- All lots
 - Technical 20%
 - Commercial 80%

Table 2: Scoring Breakdown

Area	Maximum Score Available
Technical	
Community Benefits	4
Fair Work Practices	4
Supply Chain	3
Sustainability	4
Customer Service	3
Product and Service Support	2
Total Score Technical	20
Commercial	80
Total Score	100

In the commercial section, bidders were asked to provide a national combined price for supply, delivery and installation for each product listed within lots 1 – 4 as well as call-out rates for maintenance and repair for lot 5.

4. Report on Offers Received

The tender document was downloaded by 82 organisations, with 22 tender responses received.

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

All respondents passed the first stage assessment. However, two suppliers, FES Support Services Limited and Lairds of Troon were non-compliant in the second stage lot 1 commercial assessment. Both suppliers failed to meet the minimum coverage of items required to bid (70%).

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 criteria and weightings set out above, it is recommended that a multi-supplier framework agreement is awarded to 7 suppliers across five lots as outlined in Appendix 3.

The 7 recommended suppliers provide the choice, scope and range required by councils as well as representing best value and providing geographical coverage. These 7 suppliers also represent a mix of small, medium and large organisations, with 4 of the recommended suppliers classified as SMEs.

Of the 7 recommended suppliers, 3 are based in Scotland, supporting the Scottish economy.

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise for each council based on the available historical information. The results of this benchmarking are detailed in Appendix 1.

Based on current forecast spend levels, the cost impact to the councils can be recorded as being cost neutral. However, the framework will now allow councils to purchase the latest, most advanced products without an increase on pricing from the previous framework. Appendix 1 includes a column entitled "Indexation". This column demonstrated that based on the market movements of the current framework, Scotland Excel pricing is currently approximately 10% behind the market average.

Price Stability

For all lots, tenderers agreed to hold both core and non-core pricing for at least 18 months with 6 of the suppliers agreeing to hold pricing for 24 months.

Sustainable Procurement Benefits

Within the technical section of the tender, bidders were asked to complete a method statement describing what approach they would take to determine if the useful life of an otherwise redundant product or components may be extended; their approach to reduce waste and ensure legal requirements of disposal are made and reducing the use of packaging and waste.

Some solutions included looking to repair or extend the life of the item in the first instance by troubleshooting/upgrading software/firmware or if need be, by ordering component parts. Where a repair cannot be carried out or it is considered beyond economical repair, the tenderer will find the most cost-effective replacement for this customer and assist with The Waste Electrical and Electronic Equipment Directive (WEEE Directive) disposal of their current product as per our waste and environmental policy.

Other tenderers aim to reduce the impact to the environment through operations, including minimising transportation of goods and people where practicable, and minimising CO2/Green House Gases (GHG) in the procurement of parts e.g. using land / sea rather than air freight. One Tenderer will utilise minimal air traffic for goods and people preferring to utilise land and sea in dedicated and or consolidated shipments to minimise the environmental impact of transportation

As well as the above, tenderers also aim to recycle 100% of waste materials and packaging in partnership with local specialist recycling partners. Each waste material is processed to create new raw materials of which all can be used in future products. The waste is transported in consolidated loads where possible to further minimise the overall carbon footprint.

Tenderers have also committed to adhering to government guidance on conflict minerals and not supplying products, components, minerals and materials from conflict-affected areas. The products that the tenderers propose are from

recognised and respected brands who offer public statements which explain their policies for ethical sourcing.

To ensure continuity of supply tenderers have demonstrated a good working relationship and several contractual agreements in place with a variety of the industry's manufacturers and distributors. This will allow tenderers to supply the same products from several different manufacturers to suit demand.

Community Benefits

At the strategy UIG, the group endorsed that community benefits attained would be delivered at a local level for each council and would be aligned to the Scottish Government's National Indicators.

This is a different approach to the current framework and should ensure that councils receive community benefits tailored to their own spend levels, and reflective of their local needs, whilst taking the National Indicators into account.

All 7 recommended suppliers confirmed their commitment to Scotland Excel's community benefits approach for this framework. Delivered benefits will be based on the annual spend thresholds of bidder's costs provided for individual councils.

When councils reach annual spend thresholds with a supplier they will accrue Community Benefit Points. The community benefits lead, or other designated person will liaise with the bidder to finalise the specific benefits that they are offered under the framework relative to spend.

Within the published tender documents, tenderers were given a list of indicative community benefits that could be agreed with councils. Examples of the indicative benefits which were conveyed to tenderers were:

- Fundraising event for external charities / initiatives within the council area;
- Work placements to school students from council area;
- Offer training sessions to wider community within the council area (non-employees / school children);
- Employability workshop or event in a school, college or group within the council area;
- Sponsorship of sports team or community event within the council area;
- Recruit a modern (or other approved) apprentice from within the council area; and
- Recruit one person from within the council area.

Scotland Excel will support 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 six-monthly basis.

Fair Work Practices

Tenderers were also scored on how they will engage in fair work practices for staff employed in the delivery of this framework.

When asked to define how fair work practices would be applied, tenderers responded with various approaches such as: robust appraisal programmes and staff working to become Certified Technology Specialist (CTS) qualified (a new industry qualification relating to the audio-visual industry, run by the trade umbrella organization AVIXA). Tenderers recognize the benefits of a diverse workforce and are committed to providing a working environment that is free from discrimination.

For information, tenderers were also asked to confirm their approach to the Scottish Living Wage, details of which can be found in appendix 4. All 7 bidders are currently paying the Scottish Living Wage.

Scotland Excel will continue to monitor Fair Work Practices including the Scottish Living Wage within its contract and supplier management programme.

Other Benefits

Other benefits to be noted within this framework include tenderers offering to provide arrangement of accredited manufacturer installation training where councils choose to install equipment and providing dedicated product specific training which can be arranged for twilight/in-service days.

7. Contract Mobilisation and Management

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 2 arrangement in terms of both risk and spend requiring as a minimum, bi-annual supplier meetings. The UIG will be convened on a regular basis throughout the framework period.

8. Summary

This framework for the supply, delivery and installation of audio visual equipment aims to maximise collaboration, promote added value in addition to delivering best value. A range of benefits can be reported in relation to price stability, sustainability and community benefits.

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

Appendix 1 – Participation, Spend and Savings Summary Supply, Delivery and Installation of Audio Visual Equipment

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 April 2019	£314,833	Contract MI - Confirmed by Member	10.0%	0.4%	£1,259	Average Benchmark
Aberdeenshire Council	Yes	01 April 2019	£307,516	Contract MI - Confirmed by Member	10.0%	0.4%	£1,230	Average Benchmark
Angus Council	Yes	01 April 2019	£130,409	Contract MI - Confirmed by Member	10.0%	0.4%	£522	Average Benchmark
Argyll & Bute Council	Yes	01 April 2019	£29,565	Contract MI - Confirmed by Member	10.0%	0.4%	£118	Average Benchmark
City of Edinburgh Council	Yes	01 April 2019	£772,476	Contract MI - Confirmed by Member	10.0%	0.4%	£3,090	Average Benchmark
Clackmannanshire Council	Yes	01 April 2019	£30,000	Contract MI	10.0%	0.4%	£120	Average Benchmark
Comhairle nan Eilean Siar	Yes	01 April 2019	£35,000	Contract MI	10.0%	0.4%	£140	Average Benchmark
Dumfries & Galloway Council	Yes	01 April 2019	£37,579	Contract MI - Confirmed by Member	10.0%	0.4%	£150	Average Benchmark
Dundee City Council	Yes	01 April 2019	£94,071	Contract MI - Confirmed by Member	10.0%	0.4%	£376	Average Benchmark
East Ayrshire Council	Yes	01 April 2019	£731,961	Contract MI - Confirmed by Member	10.0%	0.4%	£2,928	Average Benchmark
East Dunbartonshire Council	Yes	01 April 2019	£244,210	Contract MI - Confirmed by Member	10.0%	0.4%	£977	Average Benchmark
East Lothian Council	Yes	01 April 2019	£111,154	Contract MI - Confirmed by Member	10.0%	0.4%	£445	Average Benchmark
East Renfrewshire Council	Yes	01 April 2019	£342,825	Contract MI - Confirmed by Member	10.0%	0.4%	£1,371	Average Benchmark
Falkirk Council	Yes	01 April 2019	£210,000	Contract MI - Confirmed by Member	10.0%	0.4%	£840	Average Benchmark
Fife Council	Yes	01 April 2019	£341,983	Contract MI - Confirmed by Member	10.0%	0.4%	£1,368	Average Benchmark
Glasgow City Council	Yes	01 April 2019	£500,000	Member Provided	10.0%	0.4%	£2,000	Average Benchmark
Highland Council	Yes	01 April 2019	£109,664	Contract MI - Confirmed by Member	10.0%	0.4%	£439	Average Benchmark
Inverclyde Council	Yes	01 April 2019	£40,000	Contract MI	10.0%	0.4%	£160	Average Benchmark
Midlothian Council	Yes	01 April 2019	£148,210	Contract MI - Confirmed by Member	10.0%	0.4%	£593	Average Benchmark
Moray Council	Yes	01 April 2019	£532,612	Contract MI - Confirmed by Member	10.0%	0.4%	£2,130	Average Benchmark
North Ayrshire Council	Yes	01 April 2019	£233,632	Contract MI - Confirmed by Member	10.0%	0.4%	£935	Average Benchmark
North Lanarkshire Council	Yes	01 April 2019	£250,000	Contract MI	10.0%	0.4%	£1,000	Average Benchmark
Orkney Islands Council	Yes	01 April 2019	£0	Contract MI	10.0%	0.4%	£0	Average Benchmark
Perth & Kinross Council	Yes	01 April 2019	£131,197	Contract MI - Confirmed by Member	10.0%	0.4%	£525	Average Benchmark
Renfrewshire Council	Yes	01 April 2019	£350,000	Contract MI - Confirmed by Member	10.0%	0.4%	£1,400	Average Benchmark
Scottish Borders Council	Yes	01 April 2019	£245,702	Contract MI - Confirmed by Member	10.0%	0.4%	£983	Average Benchmark
Shetland Islands Council	Yes	01 April 2019	£11,600	Contract MI	10.0%	0.4%	£46	Average Benchmark
South Ayrshire Council	Yes	01 April 2019	£619,655	Contract MI - Confirmed by Member	10.0%	0.4%	£2,479	Average Benchmark
South Lanarkshire Council	Yes	01 April 2019	£30,000	Contract MI	10.0%	0.4%	£120	Average Benchmark
Stirling Council	Yes	01 April 2019	£61,000	Contract MI	10.0%	0.4%	£244	Average Benchmark
West Dunbartonshire Council	Yes	01 April 2019	£48,000	Contract MI	10.0%	0.4%	£192	Average Benchmark
West Lothian Council	Yes	01 April 2019	£328,365	Contract MI - Confirmed by Member	10.0%	0.4%	£1,313	Average Benchmark
Totals			£7,373,219			0.4%	£29,493	

Indexation - This column confirms the difference when the relevant market indices are compared with the relevant Contract indices derived from framework specific cost drivers

Appendix 2 – Tenderers with SME Status

Company Name	SME Status	Location	Lots Offered
Adlib Audio Limited	Medium	Speke, Liverpool	1 and 4
AGI Services Ltd	Micro	Bishopbriggs, Glasgow	5
Audio Light Systems Limited	Micro	Newton Village, Edinburgh	1, 2, 3 and 5
AVM Impact Ltd	Large	Sunbury-On-Thames, Middlesex	1 - 5
Cameron Communications Limited	Small	Thornliebank Industrial Estate, Glasgow	1, 2 and 5
Cameron Presentations Limited	Small	Giffnock, Glasgow	4
CDEC Limited	Medium	Slough, Berkshire	1 and 2
Dunfermline Repair Centre Ltd	Micro	Dunfermline, Fife	5
Irruptus Limited t/a Efficient Infrastructure Solutions	Small	East Kilbride, Glasgow	1 - 5
FES Support Services Limited	Large	Pirnhall Business Park, Stirling	1
GV Multi-Media Limited	Medium	Hounslow, Middlesex	1 and 2
HI Audio Visual Limited	Micro	Glasgow, Glasgow City	1 - 5
Insight Direct (UK) Ltd	Large	Terry Street, Sheffield	1 - 5
Lairds of Troon Limited	Small	Kilmarnock, Ayrshire	1
Learning Space Belfast Ltd	Small	College Street, Belfast	2, 3 and 5
McGill & Co Ltd	Medium	Dundee, Tayside	1, 2, 4 and 5
Mediascape Ltd	Small	Glasgow, Glasgow City	1, 2 and 5
PCM Technology Solutions UK, Ltd	Medium	St James Square, London	1 and 2
Rompa Limited	Medium	Chesterfield, Derbyshire	2 and 3
SSUK Limited	Small	Hillington, Glasgow	1 - 5
Streamtec Limited	Small	Yeaman Shore, Dundee	1, 2 and 5
XMA Limited	Large	Wilford, Nottingham	1, 2 and 5

Appendix 3 - Scoring and Recommendations

Lots 1 - Audio Visual Equipment		
Tenderer	Score	Awarded to Lot
AVM Impact Ltd	96.25	Yes
Irruptus Limited t/a Efficient Infrastructure Solutions	85.78	Yes
SSUK Limited	83.22	Yes
XMA Limited	81.69	Yes
CDEC Limited	75.18	No
PCM Technology Solutions UK, Ltd	73.90	No
McGill & Co Ltd	70.35	No
GV Multi-Media Limited	67.55	No
Mediascape Ltd	62.92	No
Audio Light Systems Limited	61.78	No
HI Audio Visual Limited	60.73	No
Cameron Communications Limited	60.17	No
Insight Direct (UK) Ltd	59.94	No
Streamtec Limited	59.19	No
Adlib Audio Limited	49.79	No
FES Support Services Limited	N/C	No
Lairds of Troon limited	N/C	No

Lots 3 - Additional Support Needs		
Tenderer	Score	Awarded to Lot
AVM Impact Ltd	96.63	Yes
SSUK Limited	72.56	Yes
Learning Space Belfast Ltd	64.12	Yes
Irruptus Limited t/a Efficient Infrastructure Solutions	54.76	No
Audio Light Systems Limited	51.73	No
Rompa Limited	44.60	No
HI Audio Visual Limited	39.67	No
Insight Direct (UK) Ltd	37.85	No

Lots 5 - Service, Repair and Maintenance of Audio Visual Equipment		
Tenderer	Score	Awarded to Lot
SSUK Limited	94.13	Yes
AVM Impact Ltd	70.62	Yes
Irruptus Limited t/a Efficient Infrastructure Solutions	67.45	Yes
Dunfermline Repair Centre Ltd	60.48	Yes
XMA Limited	52.73	Yes
AGI Services Ltd	48.17	No
McGill & Co Ltd	45.84	No
Mediascape Ltd	45.30	No
HI Audio Visual Limited	44.48	No
Streamtec Limited	44.33	No
Insight Direct (UK) Ltd	42.25	No
Audio Light Systems Limited	40.38	No
Cameron Communications Limited	40.21	No
Learning Space Belfast Ltd	38.26	No

Lots 2 - Solutions		
Tenderer	Score	Awarded to Lot
AVM Impact Ltd	96.25	Yes
SSUK Limited	91.49	Yes
Irruptus Limited t/a Efficient Infrastructure Solutions	79.46	Yes
Mediascape Ltd	68.64	No
CDEC Limited	62.81	No
Learning Space Belfast Ltd	61.96	No
HI Audio Visual Limited	57.92	No
GV Multi-Media Limited	56.30	No
Audio Light Systems Limited	53.47	No
PCM Technology Solutions UK, Ltd	52.37	No
McGill & Co Ltd	51.52	No
XMA Limited	50.93	No
Cameron Communications Limited	43.31	No
Streamtec Limited	41.97	No
Insight Direct (UK) Ltd	41.11	No
Rompa Limited	40.76	No

Lots 4 - Event Hire Equipment		
Tenderer	Score	Awarded to Lot
Insight Direct (UK) Ltd	94.13	Yes
AVM Impact Ltd	58.65	Yes
SSUK Limited	52.26	Yes
HI Audio Visual Limited	44.42	No
Cameron Presentations Limited	41.92	No
Irruptus Limited t/a Efficient Infrastructure Solutions	31.88	No
Adlib Audio Limited	29.92	No
McGill & Co Ltd	27.07	No

Appendix 4 – List of Suppliers with Living Wage Status at Point of Tender

Supplier	Accredited	Progress towards accreditation	Committed to gaining accreditation over the first 2 years of framework	Paying Living Wage to all employees (except volunteers, apprentices and interns) but not accredited	Neither accredited nor paying Living Wage
AVM Impact Ltd				Yes	
Dunfermline Repair Centre Ltd		Yes			
Insight Direct (UK) Ltd	Yes				
Irruptus Limited t/a Efficient Infrastructure Solutions				Yes	
Learning Space Belfast Ltd		Yes			
SSUK Limited	Yes				
XMA Limited	Yes				