

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 26 January 2018**

**Report  
by  
Director Scotland Excel**

**Tender: Supply & Delivery of Swimming Pool Chemicals, CO<sub>2</sub> Gas & Associated Products**

**Schedule: 15/17**

**Period: 8 January 2018 (effective date 16 February 2018) until 7 January 2020 with an option to extend for up to two further 12 month periods**

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

This framework has been developed by the Operational Supplies and Services (OSS) Team with a fast-tracked approach with key stakeholders, which has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. This delivers the aims of the team by reducing resource pressure on councils, consolidating demand and provides new collaborative procurement opportunities.

This recommendation is for the award of a new framework for swimming pool chemicals, CO<sub>2</sub> gas for pH control in swimming pools and associated products, which will operate from 8 January 2018 (effective date 16 February 2018) until 7 January 2020 with an option to extend for up to two further 12 month periods

The framework was advertised at a value of £5 million for the four year period.

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

Lot Number	Lot Name	Estimated %age of Spend
Lot 1	Swimming Pool Chemical and Associated Products	60%
Lot 2	Supply and Delivery of CO <sub>2</sub> Gas	40%

**Table 1: Lot Structure**

The lotting structure recognises the importance of councils being able to purchase swimming pool chemicals, CO<sub>2</sub> gas and associated products whilst allowing access for a range of suppliers to bid.

The OSS Team engaged with the councils to request requirements and anticipated timescales for tenders. It was indicated that the majority of councils required this framework within the first two years of OSS activity.

### **3. Procurement Process**

A Prior Information Notice (PIN) was published on 11 May 2017 which resulted in expressions of interest from 21 companies. A number of supplier engagement meetings were held to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from SME's.

As a matter of best practice and to ensure that the framework aligned with councils requirements, a programme of consultation was conducted to understand their service requirements, the technical aspects of these services and their current purchasing practices.

This information was used to generate the specifications and selection/award criteria.

To ensure maximum competition, an open tender process was followed to establish the framework. The tender was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 6 October 2017. 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 questions relating to conduct and business probity along with questions on insurance, financial standing, quality management, health and safety and environmental management.

At the second stage of the process, the offers were evaluated against the following criteria and weightings for all lots:

Commercial	80%
Technical	20%

Within the technical sections, bidders were required to complete scored questions and method statements to evidence their knowledge, experience and general suitability as service providers. This included, servicing the framework requirements, supply chain sustainability issues, community benefits and fair work practices.

Within the commercial section, bidders were invited to offer for a number of products on a lot-by-lot basis.

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

The tender document was downloaded by 8 companies, with 4 tender responses received.

A summary of all offers received and their SME status is provided in Appendix 1.

Following a full evaluation, scoring was completed, and Appendix 2 confirms the scoring achieved by each bidder.

#### **5. Recommendations**

Based on the evaluation undertaken in line with the criteria and weightings set out above, it is recommended that a multi supplier framework agreement is awarded to 4 suppliers as outlined in Appendix 2.

Of the 4 recommended suppliers 3 are classified as large businesses and 1 is a small business. These suppliers provide the range of products required by councils as well as representing best value and meeting all technical specifications.

#### **6. Benefits**

##### **Savings**

Savings for lot 1 are based on the average tendered commercial offer against the most competitive tendered commercial offer.

The projected average saving across all councils for lot 1 is 3.7%.

As only a single compliant bid was received for lot 2 this method of calculating savings could not be applied.

The projected average saving across all councils for all lots is 2.2% which equates to an estimated total saving of approximately £27.5k per annum, based on current spend forecasts.

Savings that can be achieved will depend on a council's purchasing habits and the mix of services that each council requires.

### **Price Stability**

Bidders have accepted as part of the framework contract the requirement that suppliers will hold prices firm for the first 12 months of the contract.

After the initial 12 month period, suppliers may submit a request for a price variance on an annual basis. Any price increase will not exceed the rate of CPI (Consumer Price Index) increase in the preceding 12 months. Suppliers may submit a price decrease at any time during the framework contract period.

### **Sustainable Procurement Benefits**

#### **Community Benefits**

Bidders were asked to detail community benefit initiatives that they would commit to deliver during the life of the framework.

Community benefits received as part of the tender submissions included visits to councils to offer a talk on the chemical industry and job roles to highlight specifics relating to the products/ services used in the industry, safety training days to local sites and highlighting specific product needs, donation of materials specific to the chemical industry, sponsorship of local sports teams or community events and donation of product vouchers to support apprentices.

#### **Fair Work Practices**

For information, bidders were also asked to confirm their approach to fair work practices and the Scottish Living Wage. Of the 4 recommended suppliers;

- All pay the Scottish living wage or above to all employees (except volunteers, apprentices and interns)
- One supplier is an accredited Living Wage employer
- One supplier has committed to gaining accreditation in the first 2 years of the contract

#### **Other Benefits**

The framework will provide councils with a clear pricing and delivery charge structure, simplifying the purchase process and ensuring best value is achieved. In addition;

- Two of the recommended suppliers are based in Scotland, supporting the Scottish economy

- One recommended supplier is classified as small in terms of SME status

Finally, this new framework supports councils by reducing workload and resource pressure, allowing council procurement teams to focus on other priorities whilst still providing best value for these requirements.

## **7. Contract Mobilisation and Management**

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

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 3 arrangement in terms of both risk and spend requiring annual supplier and user group reviews as appropriate.

## **8. Summary**

This framework for the supply and delivery of swimming pool chemicals, CO<sub>2</sub> gas & associated products 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 to award this framework agreement.



## Appendix 1 - SME Status

Tenderers	SME Status	Location	Lots Tendered
Air Products Public Limited Company	Large	Cheshire	2
Brentag UK Limited	Large	Glasgow	1
Complete Pool Controls Limited	Small	Gloucestershire	1
Univar Limited	Large	Aberdeen	1

## Appendix 2 - Scoring and Recommendations

(Asterisk (\*) denotes recommended supplier)

Lot 1 - Swimming Pool Chemicals & Associated Products	
Tenderer	Score
Univar Limited*	91.63
Complete Pool Controls Limited*	91.21
Brentag UK Limited*	89.92

Lot 2 - Supply & Delivery of CO <sub>2</sub> Gas	
Tenderer	Score
Air Products Public Limited Company*	90.50