

Scotland Excel

To: Executive Sub-Committee

On: 17 June 2022

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

Tender: Repair and Maintenance of Catering Equipment

Schedule: 1921

Period: 7 May 2022 until 30 April 2025 with 1 x 12-month extension option until 30 April 2026 (effective date 1st July 2022)

1. Introduction and Background

The current framework for Repair and Maintenance of Catering Equipment expired on 6 May 2022. This proposed renewal framework was advertised for the period of 7 May 2022 until 30 April 2025 with 1 x 12-month extension option until 30 April 2026, with an effective date 1 July 2022. Subject to approval and completion of a standstill period, the framework will take effect on a date to be confirmed to suppliers, intended to be on or around 01/07/2022

This framework will provide councils and associate members with a mechanism to procure repair and maintenance services for commercial gas, electrical and refrigeration catering equipment.

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 3 lots as summarised in Table 1.

Table 1: Lotting Structure

Lot Number	Lot Name
1	Repair and Maintenance of Gas Catering Equipment
2	Repair and Maintenance of Electrical Catering Equipment
3	Repair and Maintenance of Refrigeration Equipment

The lotting structure recognises the importance of councils being able to procure the repair and maintenance of commercial catering equipment whilst allowing access for a range of suppliers to bid.

As detailed in Appendix 1, 28 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 £1.5 million per annum, which equates to an estimated spend of £6 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 Scottish Government's pledge to increase the annual provision of free early learning and childcare provision to 1140 hours by 2022
- The roll out of universal free school meals for Primary 4 to 7

3. Procurement Process

A Prior Information Notice (PIN) was published in relation to this framework on 18 October 2021 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 22 February 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.

As this tender was developed by the Operational Supplies and Services team, 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 procure repair and maintenance services for commercial gas, electrical and refrigeration catering equipment.

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 20%
- Commercial 80%

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 All LOTS	Points Available
Sustainability	6
Customer Service	6
Fair Work First	4
Community Benefits	4
Overall Score	20

The commercial section of the tender was worth 80 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. 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 10 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 10 suppliers across the three lots as outlined in Appendix 3.

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 and medium organisations, with 10 of the recommended suppliers classified as SMEs.

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise based on available historic spend information, the outcome of which is detailed in Appendix 1.

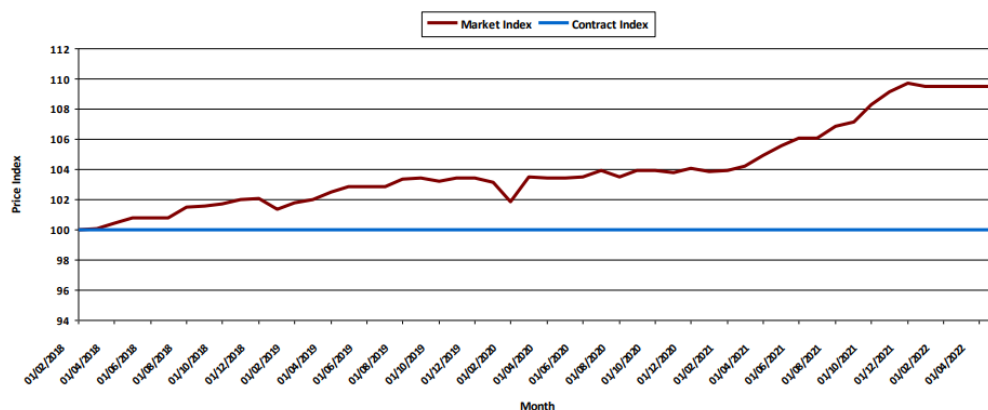
The projected average increase is 10%, which equates to an estimated total of approximately £83.000 per annum across all councils based on current forecast spend levels. Given the market movement forecast of 9.5% over the period of the current framework as demonstrated in figure 1, the impact through transition to the new framework is more tangible estimate at an increase of 0.5% or c£4,000 across all councils. Some of the reasons behind the market movement include surging energy prices - energy bills are the biggest contributor to inflation at present, as oil and gas prices remain at elevated levels. Fuel prices are also surging, with average petrol prices increasing by approximately 29% between April 2021 and April 2022.

Indexation Report - Repair of Catering Machines



Schedule No: 2117
 Contract Title: Repair and Maintenance of Catering Machines
 Contract Manager: June Baxter
 Start Date: 16/02/2018

Index	Type	Index Weighting (%)
Consumer Price Index	Standard	100



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.

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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.

Sustainable Procurement Benefits

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

- Reduction of single use plastics
- Take-Back Policy (Re-use)
- Products Sourced (Ethically, Sustainability and Environmental)
- Environmental Practices

Responses received highlight various approaches to reducing single use plastics in packaging, carbon offsetting and tracking and switching to electric vehicles.

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. Of the 10 recommended suppliers, 9 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. All 10 recommended suppliers have confirmed that they pay their staff the Real Living Wage; furthermore, 3 are currently accredited Real Living Wage employers, 6 pay the Real Living Wage to all employees but are not accredited and 1 is committed to gaining accreditation over the initial 2 year period of the framework.

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.

Scotland Excel will continue to monitor Fair Work Practices including further uptake by suppliers committing to paying staff the Real Living Wage, through contract and supplier management activity

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 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 second-generation framework for the Repair & Maintenance of Catering Equipment which aims to maximise collaboration, consolidate demand, and deliver 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 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, Spend and Savings

Member Name	Participate in New Framework	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-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Aberdeenshire Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Angus Council	Yes	01-Apr-22	£86,763	Council Provided	9.5%	-10%	-£8,676	Benchmark against current contract
Argyll & Bute Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
City of Edinburgh Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Clackmannanshire Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Comhairle nan Eilean Siar	No	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Dumfries & Galloway Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Dundee City Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
East Ayrshire Council	Yes	01-Apr-22	£0	Council Provided	9.5%	-10%	£0	Benchmark against current contract
East Dunbartonshire Council	Yes	01-Apr-22	£83,481	Council Provided	9.5%	-10%	-£8,348	Benchmark against current contract
East Lothian Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
East Renfrewshire Council	Yes	01-Apr-22	£21,786	Council Provided	9.5%	-10%	-£2,179	Benchmark against current contract
Falkirk Council	Yes	01-Apr-22	£208,000	Council Provided	9.5%	-10%	-£20,800	Benchmark against current contract
Fife Council	Yes	01-Apr-22	£128,725	MI	9.5%	-10%	-£12,873	Benchmark against current contract
Glasgow City Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Highland Council	No	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Inverclyde Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Midlothian Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Moray Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
North Ayrshire Council	Yes	01-Apr-22	£36,703	MI	9.5%	-10%	-£3,670	Benchmark against current contract
North Lanarkshire Council	Yes	01-Apr-22	£195,575	Council Provided	9.5%	-10%	-£19,558	Benchmark against current contract
Orkney Islands Council	No	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Perth & Kinross Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Renfrewshire Council	Yes	01-Apr-22	£14,621	MI	9.5%	-10%	-£1,462	Benchmark against current contract
Scottish Borders Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Shetland Islands Council	No	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
South Ayrshire Council	Yes	01-Apr-22	£10,531	MI	9.5%	-10%	-£1,053	Benchmark against current contract
South Lanarkshire Council	Yes	01-Apr-22	£48,016	MI	9.5%	-10%	-£4,802	Benchmark against current contract
Stirling Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
Tayside Contracts	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
West Dunbartonshire Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
West Lothian Council	Yes	01-Apr-22	£0	MI	9.5%	-10%	£0	Benchmark against current contract
TOTAL			£834,201				-£83,420	

Appendix 2 - List of Tenderers with SME Status

Name of Tenderers	SME Status	Location	Lots Tendered	Lots Awarded
Scott Pollock t/a A1 Repairs	Small	Hamilton	1,2 and 3	1,2 and 3
C & M Environmental Limited.	Small	Glasgow	3	3
Catering Supplies & Repairs Company Limited	Small	Falkirk	1,2 and 3	1,2 and 3
CLR Service and Sales Ltd	Small	Aberdeen	1,2 and 3	1,2 and 3
Fast Fixx Catering Engineers Limited	Small	Glasgow	1,2 and 3	1,2 and 3
Fusion CLC Limited	Medium	Lincolnshire	1 and 2	1 and 2
ITW Limited	Medium	Surrey	1,2 and 3	1,2 and 3
Lovat's Catering Engineering Services Limited	Small	Kirkcaldy	1,2 and 3	1,2 and 3
Merchant City Refrigeration (Scotland) Ltd.	Micro	Glasgow	3	3
ScoMac Catering Equipment Limited	Medium	Staffordshire	1,2 and 3	1,2 and 3

Appendix 3 - Scoring and Recommendations

Lot 1 Repair & Maintenance of Gas Equipment		
Supplier	Score	Awarded To Lot
Fast Fixx Catering Engineers Limited	93.50	Yes
CLR Service and Sales Ltd	69.36	Yes
Catering Supplies & Repairs Company Limited	62.11	Yes
Fusion CLC Limited	60.06	Yes
Lovat's Catering Engineering Services Limited	55.51	Yes
ITW Limited	50.94	Yes
ScoMac Catering Equipment Limited	49.66	Yes
Scott Pollock t/a A1 Repairs	42.27	Yes

Lot 2 Repair and Maintenance of Electrical Equipment		
Supplier	Score	Awarded To Lot
Fast Fixx Catering Engineers Limited	93.50	Yes
CLR Service and Sales Ltd	69.36	Yes
Catering Supplies & Repairs Company Limited	62.11	Yes
Fusion CLC Limited	60.06	Yes
Lovat's Catering Engineering Services Limited	55.51	Yes
ITW Limited	50.94	Yes
ScoMac Catering Equipment Limited	49.66	Yes
Scott Pollock t/a A1 Repairs	43.32	Yes

Lot 3 Repair and Maintenance of Refrigeration Equipment		
Supplier	Score	Awarded To Lot
Merchant City Refrigeration (Scotland) Ltd.	94.50	Yes
Fast Fixx Catering Engineers Limited	88.17	Yes
CLR Service and Sales Ltd	65.70	Yes
Catering Supplies & Repairs Company Limited	58.87	Yes
Lovat's Catering Engineering Services Limited	52.71	Yes
ITW Limited	48.42	Yes
ScoMac Catering Equipment Limited	41.17	Yes
C & M Environmental Limited.	39.47	Yes
Scott Pollock t/a A1 Repairs	37.59	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
Scott Pollock t/a A1 Repairs				Yes		
C & M Environmental Limited.	Yes					
Catering Supplies & Repairs Company Limited				Yes		
CLR Service and Sales Ltd	Yes					
Fast Fixx Catering Engineers Limited	Yes					
Fusion CLC Limited				Yes		
ITW Limited				Yes		
Lovat's Catering Engineering Services Limited				Yes		
Merchant City Refrigeration (Scotland) Ltd.				Yes		
ScoMac Catering Equipment Limited			Yes			

Appendix 5 – Segmentation classifications

1921 Repair and Maintenance of Catering Equipment 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.