

**Scotland Excel**

**To: Executive Sub Committee**

**On: 4 March 2016**

**Report  
By  
Director Scotland Excel**

**Tender: Supply and Delivery of Waste Disposal Equipment**

**Schedule: 03/15**

**Period: 1 April 2016 until 31 March 2019 with an option to extend for up to 12 months until 31 March 2020**

**1. Introduction and Background**

This proposed renewal framework will operate from 1 April 2016 until 31 March 2019 with an option to extend for up to 12 months until 31 March 2020.

The replacement framework will assist councils and other participating bodies in achieving Scottish Government targets for recycling and provide a mechanism to procure a range of waste disposal equipment including skips, large containers, compactors, balers and roll packers. The key users of this contract will be the waste and environmental departments within councils.

A key objective for the renewal of this framework is to ensure councils have sufficient competition, flexibility and choice of suppliers and products within the framework. This renewal incorporates a number of enhancements to the current framework including the inclusion of additional lots and products, inclusion of a list of additional options and variations to skips and containers in order to streamline product customisation and increase competition within the framework.

**2. Scope, Participation and Spend**

As part of strategy development, the User Intelligence Group (UIG) approved the inclusion of five lots as summarised in Table 1. This lotting strategy recognises the current structure of the supply market and was designed to more closely align with council requirements. The lotting strategy continued to maximise opportunities for SMEs.

**Table 1: Lotting Structure**

<b>Lot No.</b>	<b>Description</b>	<b>No. of products</b>	<b>Estimated % of Spend</b>
<b>1</b>	<b>Skips &amp; Containers</b>	<b>30</b>	<b>85%</b>
<b>2</b>	<b>Compactors</b>	<b>3</b>	<b>15%</b>
<b>3</b>	<b>Balers</b>	<b>7</b>	
<b>4</b>	<b>Roll Packers</b>	<b>2</b>	
<b>5</b>	<b>Consumables (baling wire, twine)</b>	<b>11</b>	

As detailed in Appendix 1, 29 councils have confirmed their intention to participate in this framework. Aberdeen City Council, East Ayrshire Council and East Renfrewshire Council have confirmed that they will not participate as they have their own arrangements in place. In addition, the NHS, Scottish Prison Service (SPS), Advanced Procurement for Universities and Colleges (APUC) and Tayside Contracts have also confirmed their intention to participate in the framework.

The nature of the goods procured under this framework means that accurately predicting an overall framework spend value is difficult. Unless councils have a specific project planned over the next four year period linked to capital spend, many cannot accurately predict their future requirements or spend levels. Based on the forecast spend levels by participating councils, the previous framework spend collected in management information returns and to allow a contingency the framework was advertised at a value of £5.0 million over the four year period (£1.25 million per annum). The detailed forecasted annual spend by council is shown in Appendix 1.

### **3. Procurement Process**

A User Intelligence Group (UIG) consisting of procurement and technical representatives was established to develop a procurement strategy to deliver end user requirements. In addition, a working group of technical and procurement representatives was formed to fully develop the technical specifications and participate in the tender evaluation.

A Prior Information Notice (PIN) was published on 8 July 2015, which resulted in expressions of interest from 32 organisations. Meetings were held with potential bidders including both incumbent and new suppliers as identified from the PIN. During these meetings, trading processes, market trends, community benefits and sustainability were discussed as well as potential product lists.

Following this initial market engagement exercise, on 21 October 2015 additional information was added to the PIN to invite potential tenderers to a tenderer information session which took place on 2 November 2015 at the Scotland Excel offices. The session provided potential tenderers with guidance on completing the tender document on the PCS-T system.

To ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the renewal framework.

This framework was advertised on the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal on the 24 November 2015. The tender process was conducted using the Public Contracts Scotland Tender (PCS-T) system.

The procurement process followed a two stage tendering procedure. At the first stage, tender responses were assessed against financial capability, technical/professional capability and business probity requirements. Bidders were required to pass this stage to be eligible for award. At the second stage of the process, the offers were evaluated against the following criteria and weightings.

<b>Weightings</b>	<b>% Technical</b>	<b>%Commercial</b>
<b>Lots 1 and 5</b>	<b>15</b>	<b>85</b>
<b>Lots 2, 3 and 4</b>	<b>20</b>	<b>80</b>

Within the technical section, bidders were required to evidence their knowledge and experience by responding to questions covering the following areas: customer sales support, service and maintenance, sustainability, community benefits and settlement discounts. Those bidders offering for lot 2 (Compactors), lot 3 (Balers) and lot 4 (Roll Packers) were also assessed in terms of service and the repair of equipment, additional warranty and end user training. All bidders were assessed in terms of delivery periods offered.

Within the commercial section, bidders were invited to offer on a lot by lot basis and their offers were evaluated on this basis.

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

The tender document was downloaded by 35 organisations, with 13 tender responses received. A summary of the offers received is provided in Appendix 2.

Based on the criteria and scoring methodology as set out in the tender document, a full evaluation of the offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

#### **5. Recommendations**

Under EU procurement legislation a framework agreement can be concluded with a single supplier or more than one supplier. If the framework agreement is concluded with more than one supplier, the minimum number of suppliers must be three (provided there is a sufficient number of suppliers satisfying the selection criteria and meeting the award criteria).

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 12 suppliers across the five lots as detailed in Appendix 3.

These 12 recommended suppliers offer best value and represent a mix of small and large organisations. The range of suppliers recommended also provides competitive options for all participating councils, high quality waste management products as well as offering a degree of choice and capacity. Furthermore, it delivers the objective of increasing the competition and flexibility for councils.

## **6. Benefits**

There are a number of benefits to the councils from the renewal of this framework agreement.

The award of this framework will ensure councils continue to be supported in delivering their individual waste services by offering a wide choice of waste disposal equipment that can be purchased either as a call-off from a core list or supplied to the bespoke specifications of each council's requirement as and when the need should arise.

### **Savings**

Scotland Excel has conducted a benchmarking exercise comparing current prices paid with the prices submitted against the new framework. The benchmarking could only be carried out on lot 1 (skips and containers) that cover specific products. Lots 2, 3 and 4 were based around a typical specification for commercial evaluation purposes only but will not facilitate a like for like pricing comparison as they will primarily be bespoke requirements procured via mini competitions. Lot 5 (Consumables - baling wire, twine) spend has not been made available from councils and therefore will not allow like for like pricing comparison. The result of this benchmarking is listed in Appendix 1; the projected average saving across all councils is estimated at 5%, which equates to an estimated total saving of £43,772 per annum.

### **Price Stability**

All of the recommended suppliers have agreed to hold their prices for a 12 month fixed period and will be reviewed thereafter on an annual basis.

### **Sustainable Procurement Benefits**

Within the technical section of the tender, the sustainability method statement assessed suppliers in relation to their corporate approach to sustainability to minimise the impact of the supply chain on the environment. A range of sustainable measures were outlined by suppliers including; waste prevention, reuse and recycling initiatives, segregation of waste streams in order to reduce waste to landfill, developing innovative products that are more energy efficient, use of bio-fuels or solar power cells, extending products' lifecycle through offering refurbished products and selecting haulage providers that use lower emission vehicles and "back hauling".

Bidders were asked to detail community benefits initiatives they would commit to deliver during the lifetime of the framework. These commitments will be discussed during mobilisation and reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a six monthly basis. A range of community benefits were offered by bidders subject to levels of business received including:

- Support for training and employment programmes
- Support for community projects and charities
- Apprenticeships

### **Fair work practices including living wage**

While this renewal is a supply framework and there is limited ability to influence supplier behaviour on workforce matters compared with a services framework, an unscored question asked bidders to confirm their living wage status. Of the 12 recommended suppliers:

- Two confirmed that they are an accredited Living Wage Employer.
- One confirmed that they are committed to gaining accreditation over the initial two year period of the framework.
- Nine have confirmed that they pay the living wage to all employees (except volunteers, apprentices and interns).

### **Other Benefits**

Further benefits offered by recommended suppliers through the framework (lots for machinery) are outlined below;

- Price inclusions: transportation , uploading, commissioning and training
- Additional end user training
- Technical support for end users
- Call-out response time 24-48 hrs
- Spare parts availability

## **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 and engage in procurement activities within 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 waste disposal equipment aims to maximise collaboration, facilitate the procurement of high quality waste disposal equipment, promote added value and deliver best value.

A range of benefits can be reported in relation to savings, price stability and community benefits. Although this is a renewal framework, positive efficiencies have been achieved through close working relationships with an already established UIG to improve the core list and also broaden significantly the

range of equipment. Enhancements in this second generation of the framework include; contract support from suppliers in service, repair and maintenance of machinery, additional end user training, inclusion of a priced list of variances to the core list for lot 1 to streamline customisation and increased competition and flexibility for councils.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3.

## Appendix 1 – Participation, Spend and Savings Summary Supply and Delivery of Waste Disposal Equipment 03/15

Member Name	Participate in Contract	Participation Entry Date	Estimated Annual Spend	Source of Spend Data	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	No*			Member Provided			
Aberdeenshire Council	Yes	01-April 2016	£323,500	Member Provided	5%	£16,175	Benchmarked Current Contract
Angus Council	Yes	01-April 2016	£17,500	Member Provided	5%	£875	Benchmarked Current Contract
Argyll & Bute Council	Yes	01-April 2016	£16,250	Member Provided	5%	£813	Benchmarked Current Contract
Clackmannanshire Council	Yes	01-April 2016	£10,000	Member Provided	5%	£500	Benchmarked Current Contract
Comhairle nan Eilean Siar	Yes	01-April 2016	£72,202	Contract Ml	5%	£3,610	Benchmarked Current Contract
Dumfries & Galloway Council	Yes	01-April 2016	£39,986	Member Provided	5%	£1,999	Benchmarked Current Contract
Dundee City Council	Yes	01-April 2016	£30,000	Member Provided	5%	£1,500	Benchmarked Current Contract
East Ayrshire Council	No*			Member Provided			
East Dunbartonshire Council	Yes	01-April 2016	£10,000	Member Provided	5%	£500	Benchmarked Current Contract
East Lothian Council	Yes*	01-April 2016	£0	Member Provided	5%	£0	Benchmarked Current Contract
East Renfrewshire Council	No*			Member Provided			
Edinburgh City Council	Yes	01-April 2016	£50,000	Member Provided	5%	£2,500	Benchmarked Current Contract
Falkirk Council	Yes	01-April 2016	£12,500	Member Provided	5%	£625	Benchmarked Current Contract
Fife Council	Yes*	01-April 2016	£0	Member Provided	5%	£0	Benchmarked Current Contract
Glasgow City Council	Yes	01-April 2016	£30,000	Member Provided	5%	£1,500	Benchmarked Current Contract
Highland Council	Yes*	01-April 2016	£0	Member Provided	5%	£0	Benchmarked Current Contract
Inverclyde Council	Yes	01-April 2016	£6,000	Member Provided	5%	£300	Benchmarked Current Contract
Midlothian Council	Yes*	01-April 2016	£0	Member Provided	5%	£0	Benchmarked Current Contract
North Ayrshire Council	Yes*	01-April 2016	£0	Member Provided	5%	£0	Benchmarked Current Contract
North Lanarkshire Council	Yes	01-April 2016	£5,000	Member Provided	5%	£250	Benchmarked Current Contract
Orkney Islands Council	Yes	01-April 2016	£31,375	Member Provided	5%	£1,569	Benchmarked Current Contract
Perth & Kinross Council	Yes	01-April 2016	£45,000	Member Provided	5%	£2,250	Benchmarked Current Contract
Renfrewshire Council	Yes*	01-April 2016	£0	Member Provided	5%	£0	Benchmarked Current Contract
Scottish Borders Council	Yes	01-April 2016	£10,750	Member Provided	5%	£538	Benchmarked Current Contract
Shetland Islands Council	Yes	01-April 2016	£15,000	Member Provided	5%	£750	Benchmarked Current Contract
South Ayrshire Council	Yes	01-April 2016	£9,500	Member Provided	5%	£475	Benchmarked Current Contract
South Lanarkshire Council	Yes	01-April 2016	£37,000	Member Provided	5%	£1,850	Benchmarked Current Contract
Stirling Council	Yes	01-April 2016	£55,125	Member Provided	5%	£2,756	Benchmarked Current Contract
Moray Council	Yes	01-April 2016	£18,750	Member Provided	5%	£938	Benchmarked Current Contract
West Dunbartonshire Council	Yes	01-April 2016	£10,000	Member Provided	5%	£500	Benchmarked Current Contract
West Lothian Council	Yes	01-April 2016	£20,000	Member Provided	5%	£1,000	Benchmarked Current Contract
<b>Totals</b>			<b>£875,438</b>		<b>5%</b>	<b>£43,772</b>	

No\* = Own arrangements in place

Yes\* = Have no current requirement/cannot provide accurate forecast at this time but will consider framework when need arises





## Appendix 2 – SME Status

<b>Tenderer</b>	<b>SME Status</b>	<b>Location</b>	<b>Lots Tendered</b>
<b>ACM Environmental Plc</b>	large	Essex	2, 3, 5
<b>Bergmann Direct Ltd</b>	small	Lincolnshire	2, 3, 4, 5
<b>Blue Machinery (Scotland) Ltd</b>	large	Stirling	3, 5
<b>CK International Limited</b>	small	Tyrone	3
<b>Dicom Limited</b>	large	Derbyshire	2, 3, 4
<b>GJF Fabrications Ltd</b>	small	West Midlands	1
<b>Gradeall International Ltd</b>	small	Tyrone	2, 3
<b>GWR Engineering Ltd</b>	small	Merseyside	1
<b>Pakawaste Ltd</b>	small	LANCASHIRE	2, 3, 4, 5
<b>Randalls Fabrications Ltd</b>	small	West Yorkshire	2
<b>Sellers Containers Ltd</b>	large	Greater Manchester	1
<b>Skip Units Ltd</b>	small	Derbyshire	1
<b>Whitham Mills Engineering Ltd</b>	small	West Yorkshire	3, 5



**Appendix 3 - Scoring and Recommendations (Asterisk (\*) denotes recommended supplier)**

<b>Lot 1 - Skips and Containers</b>	
<b>Tenderer</b>	<b>Score</b>
Skip Units Ltd*	94.00
GJF Fabrications Ltd*	84.93
Sellers Containers Ltd*	66.27
GWR Engineering Ltd	Non-Compliant

<b>Lot 2 - Compactors</b>	
<b>Tenderer</b>	<b>Score</b>
Bergmann Direct Ltd*	98.25
Dicom Limited*	94.37
Gradeall International Ltd*	89.76
Pakawaste Ltd*	77.18
ACM Environmental Plc*	70.95
Randalls Fabrications Ltd*	70.28

<b>Lot 3 - Balers</b>	
<b>Tenderer</b>	<b>Score</b>
Bergmann Direct Ltd*	98.25
Gradeall International Ltd*	93.19
CK International Limited*	92.36
Dicom Limited*	90.45
Whitham Mills Engineering Ltd	67.78
ACM Environmental Plc	51.32
Blue Machinery (Scotland) Ltd	46.98
Pakawaste Ltd	45.54

<b>Lot 4 - Roll Packers</b>	
<b>Tenderer</b>	<b>Score</b>
Bergmann Direct Ltd*	95.25
Dicom Limited*	74.80
Pakawaste Ltd*	70.09

<b>Lot 5 - Consumables (baling wire, twine)</b>	
<b>Tenderer</b>	<b>Score</b>
Whitham Mills Engineering Ltd*	95.75
ACM Environmental Plc*	86.32
Blue Machinery (Scotland) Ltd*	84.31
Bergmann Direct Ltd*	82.34
Pakawaste Ltd	56.04