

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 23 August 2019**

**Report  
by  
Director Scotland Excel**

**Tender: Supply & Distribution of Fresh Bread, Rolls & Bakery Products**

**Schedule: 04-19**

**Period: 01 October 2019 until 30 September 2022, with the option to extend for up to an additional 12-month period until 30 September 2023**

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

This recommendation is for the award of a new framework for the Supply & Distribution of Fresh Bread, Rolls & Bakery Products which will operate from 01 October 2019 until 30 September 2022, with the option to extend for up to an additional 12-month period until 30 September 2023.

The requirement for this procurement has been identified through consultation with commodity User Intelligence Groups (UIGs) within the Corporate portfolio. Currently there are no national framework agreements in place to procure these requirements, with most local authorities utilising their own individual arrangements. This presents an opportunity for Scotland Excel to provide a national collaborative solution which will drive value through the consolidation of spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities.

The framework was advertised at a value of £6 million over the four-year period, and this report summarises the outcome of the procurement process.

### **2. Scope, Participation and Spend**

As part of the strategy development and through consultation with the UIG, the inclusion of a single lot was endorsed.

This framework will provide a mechanism for local authorities to procure a range of fresh bread, rolls & bakery products, which will include but is not limited to, brown bread, white bread, pittas, wraps, potato scones, cakes, pastries and baguettes.

It is anticipated that these products will be predominately used by a number of local authority departments including schools, nurseries, care homes, leisure centres, cafes, and office units.

**3. Procurement Process**

A Prior Information Notice (PIN) was published on 06 February 2019 with 13 companies expressing an interest in the opportunity. Market engagement was conducted, resulting in 8 market surveys being completed and returned to Scotland Excel. These surveys helped to provide an understanding of the marketplace as well as current service requirements.

To ensure maximum competition, an open tender process was used, and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 16 April 2019. The tender process was conducted using the Public Contracts Scotland Tender (PCS-T) system.

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 were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing, quality management, health and safety, and environmental management policies and/or procedures.

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

Commercial	80%
Technical	20%

Tenderers were required to indicate which local authorities they had an ability to service.

Tenderers were invited to bid on the following basis;

- In the Commercial Section, tenderers were asked for a national price for each product within a Schedule of Offer, inclusive of delivery;
- In the Technical Section, as outlined in Figure 1, scored method statements on community benefits, customer service & contract management, servicing the contract, fair work practices and sustainability.

**Figure 1: Technical Section Scoring Breakdown**

<b>Section</b>	<b>Question</b>	<b>Maximum Score Available</b>
<b>Commercial 80%</b>		
<b>Technical 20%</b>	Community Benefits	<b>4</b>
	Customer Service & Contract Management	<b>4</b>
	Servicing the Contract	<b>3</b>
	Fair Work Practices	<b>4</b>
	Sustainability	<b>5</b>

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

The tender document was accessed by 16 organisations with 8 of those submitting an offer. However, Express Bakery failed to upload their pricing schedule by the closing date and time, therefore they were deemed non-complaint.

The remaining 7 respondents all passed the first stage assessment. However, Taza Bake Ltd was non-compliant within the second stage commercial assessment as they failed to offer for a minimum percentage of 80% of the basket of goods required.

Despite engagement with the marketplace, no offer was received for the following regions:

- Aberdeenshire North (Banff, Turriff, Meldrum and Huntly areas)
- Aberdeenshire East (Peterhead, Fraserburgh, Ellon and Mintlaw areas)
- Aberdeenshire South (Mearns, Aboyne, Portlethen, Stonehaven and Banchory areas)
- Aberdeenshire West (Alford, Inverurie, Westhill and Kemnay areas)
- Inverclyde
- Moray
- Western Isles
- Orkney Islands
- Shetland Islands.

Scotland Excel will continue to liaise with these councils following award of the framework including offering assistance with any future local procurement processes.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. 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 multiple supplier framework agreement is awarded to the 6 tenderers as outlined in Appendix 2.

Of the 6 recommended suppliers, 5 are Small/Medium Enterprises (SMEs). Appendix 1 outlines the location of tenderers who submitted an offer, with all 6 of them being based in Scotland, supporting the Scottish economy.

For the recommended suppliers, Renfrewshire Council's Environmental Services, Scotland Excel's appointed service partner, has assessed self-audit documentation, as well as the latest audit reports from relevant Food Enforcement Authorities to ensure that they comply with the relevant legislation and have robust processes in place for managing this contract. All audit reports were considered satisfactory and compliant with requirements. It should be noted that this is an ongoing service, and Scotland Excel reserve the right to instruct unannounced audits at any time.

These suppliers provide the range of products and services required by local authorities, as well as representing best value and meeting all technical specifications.

## **6. Benefits**

### **Savings**

Accurate benchmarking is difficult to calculate due to a lack of spend information proceeding from local authorities at present. However, this has been forecast at 10.3% based on wider market analysis, and a comparison with the savings reports of other first-generation frameworks. This will be monitored on an ongoing basis, and individual benchmarking conducted when required for local authorities.

### **Price Stability**

Tenderers have accepted as part of the terms & conditions of the framework that they will hold prices firm for the first 6 months of the framework.

After the initial 6 months, suppliers may submit a request for a price variance on a 6-monthly basis. Suppliers may submit a price decrease at any time throughout the duration of the framework.

## **Sustainable Procurement Benefits**

### **Community Benefits**

Tenderers were asked to detail community benefit initiatives that they would commit to deliver throughout the duration of the framework.

Community benefits that could be received as part of this new tender exercise include; sponsorship of local sports teams, community and/or fundraising events, donation of product vouchers, work experience placements and the recruitment of modern apprentices and/or staff members.

### **Fair Work Practices**

Tenderers were also asked to confirm their approach to fair work practices and the Scottish Living Wage, details of which can be found in Appendix 3. Of the 6 recommended suppliers;

- 1 is currently an accredited Scottish Living Wage employer;
- 1 currently pays all staff the Scottish Living Wage but is not yet accredited;
- 2 currently do not pay the Scottish Living Wage to all employees; and
- 2 do not pay the Scottish Living Wage to all employees but have committed to doing so within the first two years of the framework.

### **Sustainability**

Tenderers were asked to detail their approach to sustainability, and were asked how their organisations reduced waste, considered the environmental impact of transportation, and demonstrated that their products came from sustainable, reliable, and approved sources.

Offers included a range of recycling initiatives including the use of stackable plastic bread trays that can be uplifted from customers and reused, as well as reducing single use plastic on site as much as possible, by limiting the use of plastic cutlery and introducing paper carrier bags for products.

Tenderers also advised that they utilise route planning technologies to reduce mileage, as well as the increased adoption of Euro 6 standard vehicles within their fleets for the delivery of products.

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

Both suppliers and participating members will be issued with a mobilisation pack containing information relating to the operation of the framework, roles

and responsibilities, management information requirements and community benefits commitments.

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. As such, Scotland Excel will review the framework with suppliers as appropriate, whilst monitoring management information and community benefits.

## **8. Summary**

This framework for the Supply & Distribution of Fresh Bread, Rolls & Bakery Products aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits can be reported in relation to savings, price stability, community benefits and sustainability.

The Executive Sub Committee is requested to approve the recommendation to award placings on this framework to the suppliers as detailed in Appendix 2.

## Appendix 1 – Offers Received & Status

TENDERER	SME STATUS	LOCATION	LOTS TENDERED
Black of Dunoon (Bakers) Limited	Small	Dunoon, Argyll & Bute	1
D. McGhee & Sons Limited	Large	Glasgow, Glasgow City	1
Fergusons Bakers Limited	Small	Kilmarnock, East Ayrshire	1
George Anderson and Sons	Medium	Tranent, East Lothian	1
Scotbake Limited	Medium	Inverness, Highlands	1
Tower Bakery	Small	Perth, Perth & Kinross	1





## Appendix 2 – Scoring and Recommendations

Tenderer	Combined Score	Awarded?
Tower Bakery	86.15	Y
D. McGhee & Sons Limited	80.70	Y
George Anderson and Sons	74.69	Y
Fergusons Bakers Limited	70.92	Y
Scotbake Limited	61.54	Y
Black of Dunoon (Bakers) Limited	60.80	Y
Taza Bake Ltd.	Non Compliant	N



### Appendix 3 – List of Recommended Suppliers with Scottish Living Wage Status

Supplier	Accredited	Currently progressing through Scottish Living Wage accreditation process	Pay Scottish Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Scottish Living Wage to all employees, but not accredited	Neither accredited nor paying Scottish Living Wage, but do commit to pay the Scottish Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Scottish Living Wage
Black of Dunoon (Bakers) Limited			Yes			
D. McGhee & Sons Limited						Yes
Fergusons Bakers Limited					Yes	
George Anderson and Sons	Yes					
Scotbake Limited						Yes
Tower Bakery					Yes	