

To: Executive Sub Committee

On: 24 August 2018

Report
by
Director Scotland Excel

Tender: Provision and Delivery of Washroom Solutions and Sanitary Products

Schedule: 32-17

Period: 1 October 2018 until 30 September 2022

1. Introduction and Background

The current framework for the delivery of washroom solutions will expire on 30 September 2018. This recommendation is for the award of a renewal framework which will operate from 1 October 2018 until 30 September 2022 with no option to extend beyond this date.

This framework will provide councils with a mechanism to procure a range of products and services including, but not limited to, sanitary waste disposal; nappy waste disposal; sanitisers; air fresheners, sharps disposal and medical waste disposal and the provision of sanitary products. Users of the framework are likely to include schools, nurseries, leisure centres, community centres, social work, council buildings and civic centres.

The renewal framework also supports the Scottish Government's commitment of promoting dignity to women by providing free sanitary protection to students in educational establishments.

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 two lots as summarised in Table 1

Table 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Washroom Solutions	85%
2	Sanitary Products	15%

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 maximise opportunities for Small and Medium Enterprises (SMEs).

The framework was advertised to enable access by all 32 councils in Scotland. As detailed in Appendix 1, 29 councils have confirmed their intention to participate in this framework. Comhairle nan Eilean Siar, Orkney Islands Council and Shetland Council currently have their own arrangements in place and have confirmed that they do not intend to participate.

Historical spend data suggests a forecast framework spend of c. £1.87 million per annum, however, the framework was advertised with a potential value of £3.5 million per annum. This will allow for the Scottish Government's commitment to offer free sanitary protections for students, thereby requiring additional products and waste disposal services as well as the Scottish Government's pledge to increase delivery of free early learning and childcare provision by 2020, necessitating additional nappy waste disposal services. This value will also facilitate the potential for non-participating councils to make use of the framework at a later date. 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 12 December 2017 resulting in expressions of interest from 18 companies. Market engagement led to six supplier meetings, 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 February 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 16 May 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:

- Lot 1
 - Technical 25%
 - Commercial 75%

- Lot 2
 - Technical 13%
 - Commercial 87%

Table 2: Scoring Breakdown

Area	Maximum Score Available
Lot 1 Technical	
Fair Work Practices	5
CO2 Emissions & Route Planning	2
Customer Communication & Staff Resources	2
Service Performance	6
Recycling, Waste Disposal	8
Community Benefits	2

Area	Maximum Score Available
Lot 2 Technical	
Fair Work Practices	5
CO2 Emissions & Route Planning	2
Customer Communication & Staff Resources	2
Recycling	2
Community Benefits	2

Within the master lot section, bidders were required to evidence their knowledge and experience by responding to the questions in the following areas: fair work practices; reduction of CO₂ emissions & route planning and customer communication & staff resources. The master technical section required to be completed once only, regardless of the number of lots applied for.

In addition to these questions, lot specific technical questions were asked in relation to service performance, recycling, waste disposal and community benefits.

Within the commercial section for both lots, bidders were invited to offer a net delivered price for each of the core products / services used by councils.

4. Report on Offers Received

The tender document was downloaded by 23 organisations, with 7 tender responses received.

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

All respondents passed the first stage assessment. However, Personal Hygiene Services Limited (PHS) was non-compliant in the second stage lot 1 commercial assessment. This company failed to upload a pricing schedule of offer for lot 1. PHS did upload a compliant bid for lot 2, but chose to withdraw from the tender exercise completely as they believed that lot 2 alone would not deliver sufficient business for them.

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 six suppliers across two lots as outlined in Appendix 3.

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

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.

Price Stability

For both lots, tenderers agreed to hold both core and non-core pricing for 12 months.

Sustainable Procurement Benefits

Within the technical section of the tender, bidders were asked to complete a method statement on assisting councils with innovative process and recycling and systems and processes for reducing waste.

One solution offered an innovative process for recycling waste through a commercial composting plant for Absorbent Hygiene Product (AHP) waste. The company delivering this solution will provide the infrastructure to transfer all

waste. This represents a significant environmental benefit as it diverts AHP waste away from Landfill.

Other providers stated their experience of recycling medical and hazardous waste with one offering a fully audited reusable sharps system to help reduce the need to manufacture plastic sharps' bins which, in turn, reduces the need to dispose of the same plastic products.

Another company launched a UK wide metal recovery programme which helps to recycle metals, reducing the requirement for plastic materials. The company has a collection service for metal materials and where it undergoes high temperature steam sterilisation within their treatment facility.

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 six 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 within the council 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 delivered. 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 with 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: provision of in-depth induction programmes designed to develop staff which covered manual handling, safety driving courses and communication skills. Other methods included ensuring staff are aware of legislation surrounding unlawful discrimination in the workplace and by promoting equal opportunities to all in terms of race, gender and age. Commitment to respect and inclusiveness was stated as an important training topic during induction.

For information, tenderers were also asked to confirm their approach to the Scottish Living Wage. Of the six recommended suppliers:

- 3 are accredited Scottish Living Wage suppliers;
- 1 is working towards accreditation of becoming a Scottish Living Wage supplier; and
- 2 have stated they are not accredited Living Wage Employers, but pay the Living Wage to all employees (except volunteers, apprentices and interns).

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 the availability of sanitary products within lot 2 which are free to students within educational establishments.

A bid from a Scottish social enterprise for lot 2 was received. This organisation supports social and ethical responsibility by donating environmentally friendly sanitary products to women's groups, food banks etc. They also work in conjunction with a supported business, Haven, who assist them by quality-checking the products and help to distribute the donations across the UK.

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 3 arrangement in terms of both risk and spend requiring as a minimum, annual supplier meetings. The UIG will be convened on a regular basis throughout the framework period.

8. Summary

This framework for the provision and delivery of washroom solutions and sanitary products 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 Summary¹
Provision and Delivery of Washroom Solutions and Sanitary Products 32-17

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 October 2018	£57,456	Supplier MI	2%	-10.10%	£5,803	Benchmarked Current Contract*
Aberdeenshire Council	Yes	01 October 2018	£65,701	Supplier MI	2%	-10.10%	£6,636	Benchmarked Current Contract*
Angus Council	Yes	01 October 2018	£60,174	Council Confirmed	2%	0.55%	£331	Benchmarked Current Contract*
Argyll & Bute Council	Yes	01 October 2018	£27,731	Council Confirmed	2%	-10.10%	£2,801	Benchmarked Current Contract*
City of Edinburgh Council	Yes	01 October 2018	£149,336	Supplier MI	2%	0.55%	£821	Benchmarked Current Contract*
Clackmannanshire Council	Yes	01 October 2018	£18,725	Supplier MI	2%	0.55%	£103	Benchmarked Current Contract*
Comhairle nan Eilean Siar	No				2%	0.00%	£0	
Dumfries & Galloway Council	Yes	01 October 2018	£28,457	Supplier MI	2%	0.55%	£157	Benchmarked Current Contract*
Dundee City Council	Yes	01 October 2018	£25,636	Council Confirmed	2%	0.55%	£141	Benchmarked Current Contract*
East Ayrshire Council	Yes	01 October 2018	£58,692	Supplier MI	2%	0.55%	£323	Benchmarked Current Contract*
East Dunbartonshire Council	Yes	01 October 2018	£42,856	Supplier MI	2%	0.55%	£236	Benchmarked Current Contract*
East Lothian Council	Yes	01 October 2018	£36,919	Council Confirmed	2%	0.55%	£203	Benchmarked Current Contract*
East Renfrewshire Council	Yes	01 October 2018	£31,059	Council Confirmed	2%	0.55%	£171	Benchmarked Current Contract*
Falkirk Council	Yes	01 October 2018	£72,853	Council Confirmed	2%	0.55%	£401	Benchmarked Current Contract*
Fife Council	Yes	01 October 2018	£73,107	Council Confirmed	2%	0.55%	£402	Benchmarked Current Contract*
Glasgow City Council	Yes	01 October 2018	£315,975	Council Confirmed	2%	0.55%	£1,738	Benchmarked Current Contract*
Highland Council	Yes	01 October 2019	£37,909	Supplier MI	2%	-10.10%	£3,829	Benchmarked Current Contract*
Inverclyde Council	Yes	01 October 2018	£20,282	Council Confirmed	2%	0.55%	£112	Benchmarked Current Contract*
Midlothian Council	Yes	01 October 2018	£39,160	Council Confirmed	2%	0.55%	£215	Benchmarked Current Contract*
Moray Council	Yes	01 October 2018	£28,359	Council Confirmed	2%	-10.10%	£2,864	Benchmarked Current Contract*
North Ayrshire Council	Yes	01 October 2018	£79,326	Council Confirmed	2%	0.55%	£436	Benchmarked Current Contract*
North Lanarkshire Council	Yes	01 October 2018	£180,331	Council Confirmed	2%	0.55%	£992	Benchmarked Current Contract*
Orkney Islands Council	No		£0		2%	0.00%	£0	
Perth & Kinross Council	Yes	01 October 2018	£33,604	Council Confirmed	2%	0.55%	£185	Benchmarked Current Contract*
Renfrewshire Council	Yes	01 October 2018	£92,000	Council Confirmed	2%	0.55%	£506	Benchmarked Current Contract*
Scottish Borders Council	Yes	01 October 2018	£25,369	Council Confirmed	2%	0.55%	£140	Benchmarked Current Contract*
Shetland Islands Council	No		£0		2%	0.00%	£0	
South Ayrshire Council	Yes	01 October 2018	£56,140	Council Confirmed	2%	0.55%	£309	Benchmarked Current Contract*
South Lanarkshire Council	Yes	01 October 2018	£63,123	Council Confirmed	2%	0.55%	£347	Benchmarked Current Contract*
Stirling Council	Yes	01 October 2018	£15,542	Council Confirmed	2%	0.55%	£85	Benchmarked Current Contract*
West Dunbartonshire Council	Yes	01 October 2018	£36,809	Council Confirmed	2%	0.55%	£202	Benchmarked Current Contract*
West Lothian Council	Yes	01 October 2018	£63,996	Council Confirmed	2%	0.55%	£352	Benchmarked Current Contract*
Totals			£1,836,627			-0.7%	£13,026	

Asterisk (*) denotes confirmation TBC

¹ Indexation: This column indicates the comparison between relevant market indices and current contract pricing. For this contract, current contract pricing is presently 2% below the market.

Appendix 2 – Tenderers with SME Status

Company Name	SME Status	Location	Lots Offered
Cannon Hygiene	Medium	Morecambe, Lancashire	1 & 2
Co-An UK Ltd	Small	Blairgowrie, Tayside	1 & 2
Greenleaf Hygiene Solutions (Scotland) Ltd	Small	Hamilton, South Lanarkshire	1
Healthcare Environmental Services Ltd	Medium	Shotts, North Lanarkshire	1 & 2
Hey Girls CIC	Small	Dunbar, East Lothian	2
Rentokil Initial Uk Ltd T/A Rentokil Pest Control	Large	Camberley, Surrey	1 & 2

Appendix 3 - Scoring and Recommendations ²

Lot 1 Washroom Solutions		Lot 2 Sanitary Products	
Tenderer	Final Score	Tenderer	Final Score
Healthcare Environmental Services**	96.75	Healthcare Environmental Services**	94.6
Cannon Hygiene**	73.27	Hey Girls CIC**	94.5
Rentokil Initial UK Ltd**	73.21	Co-An UK**	86.88
Greenleaf Hygiene Solutions**	50.82	Rentokil Initial UK Ltd**	79.03
Co-An UK**	46.82	Cannon Hygiene**	79.01

² ** Denotes supplier recommended as successful