



## **Scotland Excel**

**To: Executive Sub Committee**

**On: 22 March 2019**

**Report  
by  
Director Scotland Excel**

**Tender: Supply, Delivery, Maintenance & Repair of Cleaning Equipment**

**Schedule: 18/18**

**Period: 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023**

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

This recommendation is for a new framework arrangement for the Supply, Delivery, Maintenance & Repair of Cleaning Equipment, which will operate from 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023.

The requirement for this procurement has been identified through consultation with commodity User Intelligence Groups (UIGs) within the Corporate portfolio. Currently there appears to be no national or regional framework agreement in place to procure these requirements, with most local authorities utilising their own individual arrangements often through Quick Quotes (an online quotation facility which allows local authorities to obtain competitive quotes electronically for low value requirements). This therefore 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 £9 million over the four-year period.

This report summarises the outcome of the procurement process for this national framework arrangement.

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

As part of the strategy development, a new UIG for this framework was established which endorsed the inclusion of 2 lots as summarised in Figure 1.

The lot structure will provide a mechanism for local authorities so that they can procure a range of cleaning equipment that includes, but is not limited to, vacuums, scrubber-dryers, sweepers, rotary machines, and carpet extractors.

These products will be predominately used by local authority cleaning teams, carrying out tasks related to floorcare within internal settings.

The new framework has an annual value of approximately £2.25 million across 32 local authorities, and Tayside Contracts.

**Figure 1: Lot Structure**

Lot Number	Lot Name
1	Supply & Delivery of Cleaning Equipment & Associated Products
2	Maintenance & Repair of Cleaning Equipment & Associated Products

### **3. Procurement Process**

A Prior Information Notice (PIN) was dispatched on 05 September 2018 with 24 organisations expressing an interest in the opportunity. Market engagement was conducted, which resulted in 7 supplier meetings that helped to inform the procurement strategy.

As a matter of best practice and to ensure that the framework aligned with local authority requirements, consultation was conducted to understand their service requirements and current purchasing practices.

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 04 January 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 Scotland). 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 lots that they were bidding for, and the local authorities which they had an ability to service.

Tenderers were invited to bid on the following basis;

- In the Commercial Section, a national price for all core products and services;
- In the Technical Section, as outlined in Figure 2, scored method statements on community benefits, contract management & customer service, fair work practices, innovation & added value, and sustainability.

**Figure 2: Scoring Breakdown**

<b>Section</b>	<b>Question</b>	<b>Maximum Score Available</b>
<b>Commercial 80%</b>		
<b>Technical 20%</b>	Community Benefits	<b>3</b>
	Contract Management & Customer Service	<b>5</b>
	Fair Work Practices	<b>3</b>
	Innovation & Added Value	<b>3</b>
	Sustainability	<b>6</b>

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

The tender document was accessed by 22 organisations, with 10 of these submitting an offer.

A summary of all offers received from tenderers, and their SME status is outlined in Appendix 1.

#### **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 10 tenderers outlined in Appendix 2.

Of the 10 recommended tenderers, 8 are SMEs, with 1 of these being classified as a micro business. Appendix 1 outlines the location of tenderers who submitted an offer, with 6 of these being based in Scotland.

These tenderers 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 approximately 7.5% 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 12 months of the framework.

After the initial 12 months, suppliers may submit a request for a price variance on an annual 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 received as part of the tender submissions included; sponsorship of local sports teams and community events, donation of materials and labour to support community projects, donation of product vouchers, work experience placements, employability workshops, training sessions, 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 10 recommended tenderers for this framework, 8 currently pay the Living Wage or above, with one of these being accredited.

#### **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 involving the refurbishment of machines for reuse and waste segregation techniques. In addition to this, some tenderers offered to uplift disused machines from local authorities and refurbish them before donating to charities.

Tenderers also advised that they utilised 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.

In addition to this, they provided details on how they manage stock levels efficiently and monitor transparency within their supply chains. Some of them advised that they regularly conduct assessments to ensure that their supply chains are adhering to fair work practices and conforming with environmental regulations.

## **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 conduct annual review meetings with suppliers, where necessary, whilst monitoring management information and community benefits associated with this framework.

## **8. Summary**

This framework for the Supply, Delivery, Maintenance & Repair of Cleaning Equipment 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 tenderers as detailed in Appendix 2.



## Appendix 1 – Offers Received & SME Status

<b>Tenderer</b>	<b>SME Status</b>	<b>Location</b>	<b>Lots Tendered</b>
Alliance Disposables Ltd	Large	Glasgow, Glasgow City	1 & 2
Arrow County Supplies Ltd	Medium	Shrewsbury, Shropshire	1
Diversey Ltd	Large	Northampton, Northamptonshire	1
DMG Floorcare Ltd	Small	Glasgow, Glasgow City	1 & 2
GT Cleaning Machines Ltd	Small	East Kilbride, South Lanarkshire	1 & 2
Mr. Pat McKay T/A Machines2Clean	Micro	Cumbernauld, North Lanarkshire	1 & 2
Nilfisk Ltd	Medium	Penrith, Cumbria	1 & 2
Powerwasher Services Ltd	Small	Laurencekirk, Aberdeenshire	1 & 2
Truvox International Ltd	Small	Southampton, Hampshire	1
Unico Ltd	Small	Carronshore, Falkirk	1 & 2



## Appendix 2 - Scoring and Recommendations

<b>Lot 1 – Supply &amp; Delivery of Cleaning Equipment &amp; Associated Products</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 1: Yes/No</b>
DMG Floorcare Ltd	91.63	Yes
Unico Ltd	75.85	Yes
Arrow County Supplies Ltd	71.15	Yes
Alliance Disposables Ltd	66.78	Yes
Diversey Ltd	58.54	Yes
Mr Pat McKay T/A Machines2Clean	56.25	Yes
Nilfisk Ltd	53.67	Yes
Truvox International Ltd	51.64	Yes
Powerwasher Services Ltd	47.62	Yes
GT Cleaning Machines Ltd	44.38	Yes

<b>Lot 2 – Maintenance &amp; Repair of Cleaning Equipment &amp; Associated Products</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 2: Yes/No</b>
DMG Floorcare Ltd	91.63	Yes
Unico Ltd	59.88	Yes
Powerwasher Services Ltd	46.58	Yes
Nilfisk Ltd	43.55	Yes
GT Cleaning Machines Ltd	38.89	Yes
Alliance Disposables Ltd	38.50	Yes
Mr. Pat McKay T/A Machines2Clean	32.94	Yes



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

Tenderer	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 Scottish Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Scottish Living Wage
Alliance Disposables Ltd				Yes		
Arrow County Supplies Ltd				Yes		
Diversey Ltd				Yes		
DMG Floorcare Ltd	Yes					
GT Cleaning Machines Ltd						Yes
Mr. Pat McKay T/A Machines2Clean				Yes		
Nilfisk Ltd			Yes			
Powerwasher Services Ltd				Yes		
Truvox International Ltd				Yes		
Unico Ltd					Yes	