

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 24 August 2018**

**Report  
by  
Director Scotland Excel**

**Tender: Supply and Delivery of Road Maintenance Materials**

**Schedule: 30/17**

**Period: 17 September 2018 until 31 August 2022**

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

The current framework for road maintenance materials expired on 30 June 2018. This recommendation is for the award of a new framework, which will operate from 17 September 2018 until 31 August 2022.

The framework covers the supply and delivery of an extensive range of commonly purchased road maintenance materials such as pedestrian safety barriers, drainage products, kerbstones, bollards and traffic cones to support councils' road departments.

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 inclusion of seven lots as summarised in Table 1. The strategy was designed to align with council requirements, whilst also recognising the current structure of the market place, as well as maximising opportunities for Small and Medium Enterprise (SME) participation.

**Table 1: Lotting Structure**

<b>Lot Number</b>	<b>Description</b>	<b>Estimated % of Total Spend</b>
1	Pedestrian Safety Barriers	5%
2	Drainage Products	30%
3	Concrete Products	25%
4	Line Marking & Anti Skid	5%
5	Bollards and Verge Markers	15%
6	Traffic Management	5%
7	Miscellaneous Road Products	15%

As detailed in Appendix 1, all 32 Scottish councils plus Tayside Contracts will participate in this framework renewal.

The contract was advertised with an estimated value of £10m over the 4 year period. The forecast annual spend for participating councils is circa £1.3m per annum, however the framework was advertised at a value of £2.5m per annum to allow for growth in demand from participating councils, as well as potential participation by other public sector bodies and Scotland Excel associate members.

### **3. Procurement Process**

A Prior Information Notice (PIN) was published on 9 December 2017, which resulted in expressions of interest from 40 organisations. Market engagement led to four supplier meetings, which helped inform the procurement strategy in areas such as ability to service, market trends, community benefits, sustainability and innovations as well as inclusion of potential products.

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 25 January 2018. A working group of technical representatives from councils was formed to review specifications and the technical criteria to adopt during the tender process.

To ensure maximum competition, the UIG agreed that an open tender process should be followed and this was advertised in the Official Journal of the European Union and the Public Contracts Scotland portal (PCS) on 3 June 2018. The tender documentation was made available for immediate download, via the Public Contracts Scotland Tenders (PCS-T) system.

The procurement process followed a two-stage tendering procedure. At the first stage, tender European Single Procurement Document (ESPD) 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, offers were evaluated against the following overarching criteria and weightings, with the technical criteria breakdown shown in table 2 below.

**Table 2: Scoring Breakdown**

<b>Area</b>	<b>Question</b>	<b>Maximum Score Available</b>
<b>Commercial 80%</b>		
<b>Technical 20%</b>	Fair Work Practices	<b>2</b>
	Community Benefits	<b>4</b>
	Sustainability	<b>4</b>
	Operational Processes	<b>8</b>
	Warranty Period	<b>2</b>

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including; sustainability, operational processes and community benefits. In addition to these questions, bidders were asked to provide added value suggestions to councils.

Within the commercial section, bidders were invited to offer, on a lot by lot basis, a net delivered price for each of the most commonly used road maintenance materials.

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

The tender document was downloaded by 37 organisations, with 23 tender responses received. A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was carried out. Two non-compliant bids were received for lot 3 and lot 7 and these offers were not evaluated.

Appendix 3 sets out 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 arrangement is awarded to 19 suppliers across the seven lots as outlined in Appendix 3.

The 19 recommended suppliers can meet operational requirements across all geographical areas, provide a range of choice and capacity for council members. These 19 recommended suppliers also represent a mix of micro, small, medium and large organisations, with 12 of the recommended suppliers classified as SMEs and one of the recommended suppliers classified as micro.

## 6. Benefits

### Savings

Scotland Excel conducted a benchmarking exercise for each council based on the available historic information. The results of this benchmarking are detailed in Appendix 1.

The projected average savings across councils is 2%, which equates to an estimated total saving of approximately £25k per annum based on current forecast spend levels. This saving has been derived from a range of projected lot values to reflect the lot spend.

Furthermore, in addition to the projected average savings, four of the recommended suppliers have offered early settlement discounts ranging from 0.5% to 2.5% and six of the recommended suppliers have offered sole supply discounts ranging from 0.05% to 2.5%.

### Price Stability

All suppliers have agreed to the 12 month fixed price period at the start of the framework. Provision thereafter is for price reviews once per 12 month period to accommodate market fluctuations. All requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

In addition to the mandatory 12 month fixed pricing periods for all lots, two of the recommended suppliers provided fixed pricing periods for three years and one further recommended supplier fixed their pricing for the entire four year period.

### Sustainable Procurement Benefits

Within the technical section of the tender, the sustainability method statement assessed bidders in relation to their corporate approach to sustainability and how their organisation promotes recycle, reuse and reduce initiatives to minimise the impact of the supply chain on the environment. A range of sustainable measures were outlined by suppliers including measures to reduce waste, methods to reduce carbon footprint in aspects of operations and innovative and sustainable methods of recycling/ disposing of products and/ or packaging at end of life.

Bidders were also asked to detail the environmental standards of the vehicles that will be used to deliver the goods supplied under this framework.

### Community Benefits

Bidders were also asked to detail and demonstrate their commitment to providing community benefits. A range of community benefits dependent on spend levels were offered by bidders including:

- Recruitment of additional staff, including modern apprentices
- Sponsorship of local sports teams
- Sponsorship of community events

- Work experience to school children and further education students
- Assistance with community projects
- Training sessions to council apprentices
- Workshop/school/college event
- Employability workshop or event
- Donation of product vouchers

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 including the Living Wage**

Bidders were asked a question on their approach to Fair Work Practices for staff employed in the delivery of this framework.

This included questioning suppliers on how they avoid exploitative employment practices and improve the wider diversity of their staff. In addition, suppliers were also asked for details on what training they provided for their staff, as well as how they proactively engage with them to promote empowerment so that they can fulfil their potential. Most suppliers stated that they offered development programmes for their staff, which included training and courses that looked to enhance their skills and advance their careers.

For information, bidders were also asked to confirm their approach to the Scottish Living Wage. Of the 19 recommended suppliers, 13 pay the Scottish Living Wage:

- 1 is an accredited Scottish Living Wage Employer;
- 1 is currently going through the process of becoming an accredited Scottish Living Wage Employer;
- 1 is not accredited Scottish Living Wage Employers, but has committed to gaining accreditation within two years; and
- 10 are not accredited Scottish 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. Scotland Excel will work with all awarded suppliers who do not yet pay the Scottish Living Wage to encourage them to achieve this.

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

All suppliers and participating members will be issued with a mobilisation pack containing all required details to launch the framework. Each supplier will be invited to a mobilisation meeting, if required, to outline 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 category 2 arrangement in terms of both risk and spend requiring bi annual supplier and user group reviews as appropriate.

## **8. Summary**

This framework for the supply and delivery of road maintenance materials aims to maximise collaboration, support councils' roads departments to deliver the various services they provide, promote added value and deliver best value. A range of benefits can be reported in relation to best value, price stability, sustainability and community benefits.

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

## Appendix 1 – Participation, Spend and Savings Summary – Supply and Delivery of Road Maintenance Materials 30/17

ROAD MAINTENANCE MATERIALS FRAMEWORK								
Member Name	Participate In Framework	Participation Entry Date	Est. Annual Spend (£)	Source of Spend	Indexation	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City	Yes	Contract Start	£46,456	Contract MI	5%	2%	£929	Benchmarked current framework
Aberdeenshire	Yes	Contract Start	£150,000	Council Confirmed	5%	2%	£3,000	Benchmarked current framework
Angus	Yes	Contract Start	£1,366	Council Confirmed	5%	2%	£27	Benchmarked current framework
Argyll & Bute	Yes	Contract Start	£12,092	Contract MI	5%	2%	£242	Benchmarked current framework
Clackmannanshire	Yes	Contract Start	£7,728	Contract MI	5%	2%	£155	Benchmarked current framework
Comhairle nan Eilean Siar	Yes	Contract Start	£39,523	Contract MI	5%	2%	£790	Benchmarked current framework
Dumfries & Galloway	Yes	Contract Start	£4,953	Council Confirmed	5%	2%	£99	Benchmarked current framework
Dundee City	Yes	Contract Start	£91,800	Council Confirmed	5%	2%	£1,836	Benchmarked current framework
East Ayrshire	Yes	Contract Start	£67,837	Council Confirmed	5%	2%	£1,357	Benchmarked current framework
East Dunbartonshire	Yes	Contract Start	£20,000	Council Confirmed	5%	2%	£400	Benchmarked current framework
East Lothian	Yes	Contract Start	£40,000	Council Confirmed	5%	2%	£800	Benchmarked current framework
East Renfrewshire	Yes	Contract Start	£20,000	Council Confirmed	5%	2%	£400	Benchmarked current framework
Edinburgh City	Yes	Contract Start	£12,461	Contract MI	5%	2%	£249	Benchmarked current framework
Falkirk	Yes	Contract Start	£79,188	Contract MI	5%	2%	£1,584	Benchmarked current framework
Fife	Yes	Contract Start	£64,459	Council Confirmed	5%	2%	£1,289	Benchmarked current framework
Glasgow City	Yes	Contract Start	£45,000	Council Confirmed	5%	2%	£900	Benchmarked current framework
Highland	Yes	Contract Start	£25,293	Contract MI	5%	2%	£506	Benchmarked current framework
Inverclyde	Yes	Contract Start	£17,000	Council Confirmed	5%	2%	£340	Benchmarked current framework
Midlothian	Yes	Contract Start	£100,000	Council Confirmed	5%	2%	£2,000	Benchmarked current framework
Moray	Yes	Contract Start	£70,000	Council Confirmed	5%	2%	£1,400	Benchmarked current framework
North Ayrshire	Yes	Contract Start	£11,079	Contract MI	5%	2%	£222	Benchmarked current framework
North Lanarkshire	Yes	Contract Start	£17,350	Contract MI	5%	2%	£347	Benchmarked current framework
Orkney Islands	Yes	Contract Start	£1,648	Council Confirmed	5%	2%	£33	Benchmarked current framework
Perth & Kinross	Yes	Contract Start	£8,858	Contract MI	5%	2%	£177	Benchmarked current framework
Renfrewshire	Yes	Contract Start	£61,445	Contract MI	5%	2%	£1,229	Benchmarked current framework
Scottish Borders	Yes	Contract Start	£5,588	Contract MI	5%	2%	£112	Benchmarked current framework
Shetland Islands	Yes	Contract Start	£3,576	Council Confirmed	5%	2%	£72	Benchmarked current framework
South Ayrshire	Yes	Contract Start	£77,445	Contract MI	5%	2%	£1,549	Benchmarked current framework
South Lanarkshire	Yes	Contract Start	£24,323	Contract MI	5%	2%	£486	Benchmarked current framework
Stirling	Yes	Contract Start	£60,126	Contract MI	5%	2%	£1,203	Benchmarked current framework
Tayside Contracts	Yes	Contract Start	£26,172	Contract MI	5%	2%	£523	Benchmarked current framework
West Dunbartonshire	Yes	Contract Start	£60,294	Contract MI	5%	2%	£1,206	Benchmarked current framework
West Lothian	Yes	Contract Start	£203	Contract MI	5%	2%	£4	Benchmarked current framework
<b>Totals</b>			<b>£1,273,263</b>			<b>2%</b>	<b>£25,465</b>	

\*Indexation: this column indicates the comparison between relevant market indices and current contract pricing. For this contract, current contract pricing is presently 5% below the market.





## Appendix 2 – List of Tenderers with SME Status

Tenderer	SME Status	Location	Lots Tendered
Arthur McLuckie & Son Limited	Small	Dalry, Glasgow & Strathclyde	2,3
Broxap Limited	Medium	Staffordshire, England	5
Bunzl UK Limited	Large	Uddingston, Glasgow & Strathclyde	6,7
Fabrikat ( Nottingham ) Limited	Medium	Sutton in Ashfield, England	1
Fleming & Company ( Machinery) Limited	Micro	Glasgow, Glasgow & Strathclyde	6
Geveko Markings UK Ltd	Large	Stalbridge, England	4
Glasdon ( UK ) Limited	Medium	Blackpool, England	5
GPH Builders Merchants Limited	Medium	Inverurie, Aberdeen & North East	2,3,7
Grafton Merchanting GB Limited	Large	Glasgow, Glasgow & Strathclyde	2,3,7
Hugh Logan Plant & Engineering Services Limited	Small	Hamilton, Glasgow & Strathclyde	1
Jack Coupe & Sons Limited	Small	Sildon, England	4
James Cowie & Co. Limited	Small	Hamilton, Glasgow & Strathclyde	1
James M Anderson Limited	Small	East Kilbride, Glasgow & Strathclyde	5
Saint-Gobain Building Distribution Limited	Large	Coventry, England	2,3,4,5,7
Keyline Builders Merchants Limited	Large	Broxburn, Edinburgh & Lothians	2,3,5,6,7
LC Packaging UK Ltd	Medium	Friockheim, Tayside, Central & Fife	7
Leafield Environmental Limited	Small	Corsham, England	5
Mallatite Limited	Large	Inchinnan, Glasgow & Strathclyde	1,4,5,6,7
Marwood Electrical Company Limited	Medium	Tonbridge, England	5
P.F. Cusack ( Tools Supplies ) Limited	Medium	Glasgow, Glasgow & Strathclyde	6,7
Scotia Supply Co. Ltd	Small	Larbert, Tayside, Central & Fife	2,7
Simmons Signs Limited	Medium	Telford, England	5
Traffic Management Products Limited	Small	Horsham, England	5



**Appendix 3  
- Scoring  
and**

<b>Lot 1 - Pedestrian Safety Barriers</b>	
<b>Tenderer</b>	<b>Total Score</b>
Mallatite Limited**	91.06
Fabrikat ( Nottingham ) Limited**	89.53
Hugh Logan Plant & Engineering Services Limited**	85.56
James Cowie & Co. Limited**	82.14

<b>Lot 2 - Drainage Products</b>	
<b>Tenderer</b>	<b>Total Score</b>
GPH Builders Merchants Limited**	87.52
Saint-Gobain Building Distribution Limited**	76.99
Grafton Merchanting GB Limited**	76.47
Scotia Supply Co. Ltd**	70.54
Arthur McLuckie & Son Limited	65.17
Keyline Builders Merchants Limited	64.30

<b>Lot 3 - Concrete Products</b>	
<b>Tenderer</b>	<b>Total Score</b>
Saint-Gobain Building Distribution Limited**	92.75
GPH Builders Merchants Limited**	89.21
Grafton Merchanting GB Limited**	88.02
Keyline Builders Merchants Limited*	83.94
Arthur McLuckie & Son Limited	N/C

<b>Lot 4 - Line Marking and Anti Skid</b>	
<b>Tenderer</b>	<b>Total Score</b>
Saint-Gobain Building Distribution Limited**	90.12
Mallatite Limited**	86.30
Geveko Markings UK Ltd**	85.11
Jack Coupe & Sons Limited**	80.00

<b>Lot 5 - Bollards and Verge Markers</b>	
<b>Tenderer</b>	<b>Total Score</b>
Glasdon ( UK ) Limited**	92.75
Marwood Electrical Company Limited**	78.50
Traffic Management Products Limited**	76.90
Mallatite Limited**	75.94
Broxap Limited**	73.83
Keyline Builders Merchants Limited*	73.75
Saint-Gobain Building Distribution Limited**	72.32
Simmons Signs Limited	65.65
Leafield Environmental Limited	64.65
James MAnderson Limited	63.67

<b>Lot 6 - Traffic Management</b>	
<b>Tenderer</b>	<b>Total Score</b>
Mallatite Limited**	89.30
P.F. Cusack ( Tools Supplies ) Limited**	89.00
Bunzl UK Limited**	86.46
Fleming & Company ( Machinery) Limited**	82.87
Keyline Builders Merchants Limited	60.11

<b>Lot 7 - Miscellaneous Road Products</b>	
<b>Tenderer</b>	<b>Total Score</b>
P.F. Cusack ( Tools Supplies ) Limited**	72.28
Mallatite Limited**	72.00
Bunzl UK Limited**	70.43
LC Packaging UK Ltd**	69.43
Scotia Supply Co. Ltd**	69.15
Saint-Gobain Building Distribution Limited**	66.27
GPH Builders Merchants Limited**	55.65
Grafton Merchanting GB Limited**	54.08
Keyline Builders Merchants Limited	N/C

**Recommendations** (Asterisk (\*\*)) denotes successful supplier, Asterisk (\*) denotes part successful supplier, N/C denotes non-compliant supplier)