

Scotland Excel

To: Executive Sub Committee

On: 08 December 2017

**Report
by
Director Scotland Excel**

Tender: Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables

Schedule: 13/17

Period: 8 January 2018 until 07 January 2020 with an option to extend for up to two further 12 month periods

1. Introduction and Background

This framework has been developed by the Operational Supplies and Services Team with a “fast-tracked” approach with key stakeholders, which has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. This delivers the aims of the team by reducing resource pressure on councils, consolidating demand and provides new collaborative procurement opportunities.

This recommendation is for the award of a new framework for the purchase and rental of water coolers and associated services, which will operate from 8 January 2018 to 7 January 2020, with the option to extend for up to two further 12 month periods until 7 January 2022.

This framework will provide councils with a mechanism to purchase and rent a range of water coolers including free standing bottled water coolers and plumbed in water coolers. Councils can also procure the associated maintenance and sanitisation services. The framework was advertised at a value of £6 million for the four year period.

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 commercial user intelligence group steering group (CUIG-SG) endorsed the inclusion of three lots as summarised in Table 1.

Lot Number	Description of sections	Estimated %age of Spend
Lot 1	Bottled Water Coolers and Associated Products (including installation)	42%
Lot 2	Plumbed-In Water Coolers (including installation)	42%
Lot 3	Sanitisation and Maintenance of Bottled and Plumbed-In Water Coolers	16%

Table 1: Lot Structure

The structure recognises the importance of councils being able to purchase both bottled and plumbed in water coolers, as well as the rental of these units, where this is required. The structure also recognises that not all suppliers in the marketplace are able to provide all types of units.

The Scotland Excel Operational Supplies and Services Team engaged with the councils to request requirements and anticipated timescales for tenders. Of all responses received, 70% of respondents confirmed they would like this opportunity tendered in the first two years of the team being in place.

3. Procurement Process

A Prior Information Notice (PIN) was published on 11 May 2017 which resulted in expressions of interest from 15 companies. A number of supplier engagement meetings were held to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from SME's.

As the CUIG-SG endorsed a 'faster-tracked' approach to this opportunity, a more flexible approach to stakeholder engagement was taken.

As a matter of best practice and to ensure that the framework aligned with councils requirements, a programme of consultation was conducted to understand their service requirements, the technical aspects of these services and their current purchasing practices.

This information was used to generate the specifications and selection/award criteria.

To ensure maximum competition, an open tender process was followed to establish the framework. The tender was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 5 October 2017. 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 questions relating to conduct and business probity along with

questions on insurance, financial standing, quality management, health and safety and environmental management.

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

Commercial	80%
Technical	20%

Within the technical sections, bidders were required to complete scored questions and provide method statements to evidence their knowledge, experience and general suitability as service providers. This included, servicing the framework requirements, supply chain sustainability issues, community benefits and fair work practices.

Bidders were invited to submit a commercial offer on a lot by lot basis. Within the commercial section for lots 1 and 2, bidders were invited to offer for a basket of goods, lot 3 bidders were invited to offer for a basket of services and maintenance elements.

4. Report on Offers Received

The tender document was downloaded by 12 companies, with 8 tender responses received.

A summary of all offers received and their SME status is provided in Appendix 1.

Following a full evaluation, scoring was completed, and 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 multi supplier framework agreement is awarded to 8 suppliers as outlined in Appendix 2.

Of the 8 recommended suppliers 4 are small businesses and 2 are micro businesses. The recommended suppliers provide the range of services required by councils as well as representing best value and meeting all technical specifications.

6. Benefits

Savings

The projected average saving across all councils is 9% across both lots which equates to an estimated total saving of approximately £135k per annum, based on current spend forecasts.

Savings that can be achieved will depend on a council's purchasing habits and the mix of products and services that each council requires.

Price Stability

Bidders have accepted as part of the framework contract the requirement that suppliers will hold prices firm for the first 12 months of the contract.

After the initial 12 month period, suppliers may submit a price increase on an annual basis. Any price increase will not exceed the rate of CPI (Consumer Price Index) increase in the preceding 12 months.

Sustainable Procurement Benefits

Community Benefits

Bidders were asked to detail community benefit initiatives that they would commit to deliver during the life of the framework.

Community benefits received as part of the tender submissions included sponsorship of local sports teams and community events as well as weekly/monthly work experience placements and recruitment of modern apprentices.

Fair Work Practices

For information, bidders were also asked to confirm their approach to fair work practices and the Scottish Living Wage. Of the 8 recommended suppliers;

- 3 are accredited Living Wage employers
- 3 are not an accredited Living Wage Employer but pay the Living Wage to all employees (except volunteers, apprentices and interns).
- 1 has committed to gaining accreditation over the initial two year period of the Framework Contract

Scotland Excel will work with all awarded suppliers to ensure commitment to the Scottish Living Wage during the framework period.

Other Benefits

The framework will provide councils with a choice of suppliers providing a clear pricing and delivery charge structure.

The framework also provides councils with the opportunity to consolidate requirements of this type, including bottled water and plumbed in units maintenance, streamlining the process and contract management for councils.

Finally, this new framework supports councils by reducing workload and resource pressure, allowing council procurement teams to focus on other priorities whilst still providing best value for these requirements.

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 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, delivery installation and maintenance of water coolers and associated services aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits can be reported in relation to savings, price stability, sustainability and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement.

Appendix 1 - SME Status

Tenderers	SME Status	Location	Lots Tendered
Angel Springs Limited (T/A Waterlogic)	Large	Wolverhampton	1, 2 and 3
AquAid Franchising Ltd T/A AquAid Glasgow	Medium	Glasgow	1, 2 and 3
Cameron Water Ltd	Small	Hamilton	2 and 3
Early Bird Catering Ltd	Micro	Aberdeen	1, 2 and 3
Eden Springs UK Ltd	Large	Blantyre	1, 2 and 3
Selecta UK Limited (00157122) (now Selecta Refreshments Limited)	Large	Basingstoke	2 and 3
Total Refreshment Solutions Ltd t/a Alba Water	Micro	Penicuik	1, 2 and 3
Water Coolers Ltd	Small	London	1, 2 and 3

Appendix 2 - Scoring and Recommendations

(Asterisk (*) denotes recommended supplier)

Lot 1

Bottled Water Coolers and Associated Products (including installation)	
Tenderer	Score
Eden Springs UK Ltd*	95.25
AquAid Franchising Ltd T/A AquAid Glasgow*	75.01
Angel Springs Limited (T/A Waterlogic)*	66.21
Water Coolers Ltd*	66.16
Total Refreshment Solutions Ltd t/a Alba Water*	58.03
Early Bird Catering Ltd*	36.16

Lot 2

Plumbed-In Water Coolers (including installation)	
Tenderer	Score
Angel Springs Limited (T/A Waterlogic)*	97.50
Eden Springs UK Ltd*	78.60
Water Coolers Ltd*	67.59
Early Bird Catering Ltd*	55.33
AquAid Franchising Ltd T/A AquAid Glasgow*	53.46
Total Refreshment Solutions Ltd t/a Alba Water*	47.28
Selecta UK Limited* 00157122 (now Selecta Refreshments Limited)	45.55
Cameron Water Ltd*	45.46

Lot 3

Sanitisation and Maintenance of Bottled and Plumbed-In Water Coolers	
Tenderer	Score
Angel Springs Limited (T/A Waterlogic) *	96.72
AquAid Franchising Ltd T/A AquAid Glasgow*	94.50
Eden Springs UK Ltd*	88.95
Cameron Water Ltd*	75.81
Water Coolers Ltd*	65.62
Total Refreshment Solutions Ltd t/a Alba Water*	64.13
Early Bird Catering Ltd*	41.02
Selecta UK Limited* 00157122 (now Selecta Refreshments Limited)	40.52