

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 23 August 2019**

**Report  
by  
Director Scotland Excel**

**Tender: Supply and Delivery of Community Meals**

**Schedule: 20/18**

**Period: 1 September 2019 until 31 August 2022 with the option to extend for up to 12 months until 31 August 2023 (effective date 1 October 2019)**

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

Following User Intelligence Group (UIG) discussions and based upon the high level of satisfaction with the current framework, it was agreed that a renewal framework should be established.

This framework will provide a wide variety of nutritionally balanced, good quality, affordable meals which will be delivered to people in their own homes, community venues and council premises.

The community meal service has the potential to reduce expenditure in health and social care by reducing admissions to hospital due to malnutrition and by enabling people to stay independently in their homes for longer. In addition, it can contribute to wellbeing and recovery after illness and assist in earlier discharge from hospital. The framework compliments the ongoing work being done by Scotland Excel for Care and Support Services. The community meals delivery service also provides a wellbeing and safety checks, which are crucial for those living alone.

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

There are a variety of ways of delivering social care and support services across Scotland which are complemented by community meals provision. Therefore, there is a need to have different purchasing requirements as well as varying approaches to customer payment contributions. As part of strategy development, the UIG approved the inclusion of three lots as summarised in Table 1. This lotting strategy recognises the current structure of the market place and was designed to align with council requirements.

**Table 1: Lotting Structure**

<b>Lot No.</b>	<b>Description</b>	<b>Estimated Spend through lot %</b>
1	Bulk Delivery to a Central Distribution Point. This enables the bulk purchase and delivery of frozen meals which can then be heated in council kitchens before in-house delivery.	34%
2	Frozen Delivery Service to Customers at Home/ Nominated Premises, where a batch of frozen meals directly to the customer to enable them to heat their meals as and when required.	43%
3	Daily Delivery of Hot Meals to Customers at Home/ Nominated premises, where the supplier delivers a daily two course hot meal directly to the customer in their home	23%

As detailed in Appendix 1, 16 councils have confirmed their intention to participate in this framework. The remaining councils have confirmed that they will not participate due to either having no requirement for community meals service or having their own arrangements in place. All member councils however are listed in the contract notice as potential participants so that they may access the framework in the future if required where an offer was received for them.

Based on the spend profile of council members, the framework has an advertised forecast spend of approximately £4 million per annum across all three lots.

### **3. Procurement Process**

A User Intelligence Group (UIG) consisting of representatives from participating councils agreed the procurement strategy. In addition, a working group consisting of technical and procurement representatives was formed to review technical specifications and the core product list.

Engagement with the market was carried out via a Prior Information Notice (PIN) which was published on 15 October 2018 whereby suppliers were invited to meet with Scotland Excel. As part of standard contract management, Scotland Excel invited all incumbent suppliers to meet and discuss the development of the renewal framework.

This consultation process with the supply base resulted in the sharing of valuable information. This was in relation to market trends and volume banded pricing which was taken into consideration in preparation of this framework. The engagement process also confirmed that this market is limited in terms of supply.

To ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the framework.

This framework was advertised in the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal on the 18 March 2018. The tender process was conducted using the Public Contracts Scotland Tender (PCS-Tender) system.

The procurement process followed a two-stage procedure. At stage one bidders were required to answer a number of questions on financial, technical and professional capability as well as respond to business probity requirements conducted using the European Single Procurement Document (ESPD). Bidders were required to pass this stage to be eligible for award. At stage two, the technical and commercial sections were evaluated against the following criteria and weightings:

Lot 1 – Bulk Delivery to a Central Distribution Point

Technical 30%

Commercial 70%

Lot 2 – Frozen Delivery Service to Customers at Home/Nominated Premises

Technical 35%

Commercial 65%

Lot 3 – Daily Delivery of Hot Meals to Customers at Home/Nominated Premises

Technical 40%

Commercial 60%

The technical elements were evaluated in respect of community benefits, workforce matters and ability to transact with customers. This stage also included assessment of nutritional content in relation to National Association of Care Catering (NACC) guidelines. Tenderers were also required to complete method statements addressing areas such as food sustainability, contingency planning and framework distribution and service.

A vital element of the technical evaluation was the product tasting sessions consisting of volunteers who would normally be in receipt of a community meal, to get their views and preference in terms of each meal. Each session was scored, and the points included in the technical evaluation score. Score sheets were designed in the style of 'easy read' for those in attendance.

Three sessions took place and were held at locations in South Ayrshire Council, Renfrewshire Council and North Ayrshire Council. Service users attended each session and tasted a variety of soups, main meals and desserts. Each meal was scored against a set of questions which were concerned with the:

- quality and ease of opening of the packaging
- information and instructions contained on the label
- look and texture of the meal

- taste of the meal

The sessions were well received, and the volunteers reported that they enjoyed being part of the evaluation process and were pleased that their views were being considered.

In terms of the commercial elements, tenderers were required to provide a price for supply and delivery of meals. Tenderers had the ability to indicate which councils they wished to service per lot.

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

Offers were received by two bidders. A summary of the 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 offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

The community meals marketplace is limited at present and the volume of bids received demonstrate this. Scotland Excel will continue to engage with SMEs to provide support and development to expand the marketplace and number of bidders who could provide these services in future.

#### **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 two suppliers as outlined in Appendix 3.

The recommended suppliers can meet operational requirements across all geographical areas who intend to participate the framework.

#### **6. Benefits**

##### **Savings**

Scotland Excel conducted a benchmarking exercise for each council comparing the current framework pricing against the overall best value supplier for each council for each lot.

During the development of this framework it was not anticipated that this framework would result in a cost saving. This is because it is a third-generation framework, with a very limited and consolidated marketplace. The ongoing uncertainty of Brexit with the potential introduction of import tariffs for food, and the contingency stockpiling of 'high risk' raw materials and meals as well as increasing storage space. Additionally, the fluctuations in exchange rates affecting prices submitted.

Based on the benchmarking, there is an estimated range of an increase of 5.77% to a saving of 9.95%. The overall estimated saving of the framework is approximately 1.4% per annum across the participating councils, based on current spend forecast.

The estimated annual spend, saving and on cost per Council based on the results of the benchmarking are detailed in Appendix 1 – Participation, Spend and Savings Summary.

### **Price Stability**

The framework required fixed pricing periods of six months for all lots. In addition to the mandatory fixed pricing periods, one supplier offered an additional twelve months of fixed pricing. Thereafter, price reviews are permissible once every 12 months to accommodate market fluctuations. All requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

### **Sustainable Procurement Benefits**

Within the technical section of the tender, the sustainability method statement assessed bidders in relation to fuel efficiency measures, implementation of recycling and re-use initiatives as well as steps bidders have taken to reduce waste to landfill in the last twelve months and how they will continue to reduce this during the framework contact.

A range of sustainable measures were outlined by suppliers, including reductions in emissions, packaging, water consumption, energy use and waste to landfill, the implementation of driver efficiency and fleet management measures and the introduction of reusable packaging and sustainable products.

Bidders were also required to complete a method statement which assessed bidders' approach to food sustainability. This method statement asked how bidders work within their supply chain to minimise food waste, food miles, and how food waste quantities are monitored. Additionally, details of any promotional material available for customers relating to the provenance of ingredients.

Bidders responded that they engage with their supply base to reduce food waste and assess their suppliers' approach on a regular basis, that a range of ingredients are sourced as locally as possible to reduce food miles, that zero food waste is sent to landfill and the waste is used to generate energy. A range of promotional materials are also available to customers providing details on ethical and sustainable sourcing of ingredients.

## **Community Benefits**

Scotland Excel is committed to maximising community benefits. Both recommended suppliers have committed to delivering community benefits during the framework, which will improve the economic, social or environmental wellbeing of the specific council area.

This framework has adopted a new approach to community benefits and encourages suppliers to work collaboratively and innovatively to deliver local community benefits. The framework includes suggested community benefit outcomes such as jobs for long-term unemployed, supply chain development and modern apprenticeships. These outcomes are not exhaustive. Scotland Excel will work closely with awarded suppliers and our members to monitor the delivery of community benefits and share examples of best practice.

This approach will allow Scotland Excel to monitor management information and advise members and suppliers when spend thresholds have been reached and community benefit outcomes are required to be delivered.

## **Fair Work Practices including the Scottish Living Wage**

Bidders were asked to describe how they would commit to Fair Work Practices for staff employed in the delivery of this framework. Responses indicated that policies on equality and diversity, programs for personal development of staff and fair and equal working practices were commonplace.

For information, bidders were also asked to confirm their Scottish Living Wage status which is set out in Appendix 4.

- One supplier has confirmed they are a Scottish Living Wage accredited employer.
- The other supplier has confirmed they are not a Scottish Living Wage accredited employer and do not currently pay the living wage to all staff, however, this supplier has confirmed they do pay the living wage to all employees in Scotland. This has been achieved through the renewal of this framework.

Scotland Excel will continue to monitor Fair Work Practices including the Living Wage status during contract and supplier management.

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

Each supplier will be invited to a mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefits. Both suppliers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework. A user guide and pricing schedules for participating councils will be available to download from the Scotland Excel website.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 2 arrangement in terms of both risk and spend requiring regular supplier and user group reviews as appropriate. This will ensure that the required service is monitored, maintained and where possible improved during the framework period. The framework will be monitored in line with Scotland Excel's food incident procedures to ensure that all food safety risks are recognised and carefully managed.

## **8. Summary**

This framework for the supply and delivery of community meals aims to provide service users with high quality, appetising meals and will maximise collaboration and deliver best value in terms of price, quality and service.

A range of benefits will be achieved in relation to price stability and sustainable procurement, and to the people who use the community meals service.

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





**Appendix 1 – Participation, Spend and Savings Summary  
Community Meals 20/18**

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 2019	£162,110	Validated by Council	2.0%	-3.97%	£0.00	Benchmarked Current Contract
Aberdeenshire Council	Yes	01 October 2019	£30,000	Validated by Council	2.0%	-4.48%	£0.00	Benchmarked Current Contract
Angus Council	Yes	01 October 2019	£128,262	Validated by Council	2.0%	-4.10%	£0.00	Benchmarked Current Contract
Argyll & Bute Council	No							
City of Edinburgh Council	No							
Clackmannanshire Council	No							
Comhairle nan Eilean Siar	No							
Dumfries & Galloway Council	No							
Dundee City Council	No							
East Ayrshire Council	Yes	01 October 2019	£125,000	Validated by Council	2.0%	-4.58%	£0.00	Benchmarked Current Contract
East Dunbartonshire Council	No							
East Lothian Council	Yes	01 October 2019	£200,000	Validated by Council	2.0%	-4.85%	£0.00	Benchmarked Current Contract
East Renfrewshire Council	No							
Falkirk Council	No							
Fife Council	Yes	01 October 2019	£320,000	Validated by Council	2.0%	-4.29%	£0.00	Benchmarked Current Contract
Glasgow City Council	Yes	01 October 2019	£360,000	Validated by Council	2.0%	9.95%	£43,264	Benchmarked Current Contract
Highland Council	No							
Inverclyde Council	No							
Midlothian Council	Yes	01 October 2019	£15,000	Based on Previous MI	2.0%	-4.55%	£0.00	Benchmarked Current Contract
Moray Council	No							
North Ayrshire Council	Yes	01 October 2019	£185,000	Validated by Council	2.0%	-4.88%	£0.00	Benchmarked Current Contract
North Lanarkshire Council	No							
Orkney Islands Council	No							
Perth & Kinross Council	Yes	01 October 2019	£50,000	Validated by Council	2.0%	-3.69%	£0.00	Benchmarked Current Contract
Renfrewshire Council	Yes	01 October 2019	£340,000	Validated by Council	2.0%	-3.72%	£0.00	Benchmarked Current Contract
Scottish Borders Council	Yes	01 October 2019	£280,000	Validated by Council	2.0%	-5.77%	£0.00	Benchmarked Current Contract
Shetland Islands Council	No							
South Ayrshire Council	Yes	01 October 2019	£606,203	Validated by Council	2.0%	-3.95%	£0.00	Benchmarked Current Contract
South Lanarkshire Council	Yes	01 October 2019	£120,000	Validated by Council	2.0%	-3.87%	£0.00	Benchmarked Current Contract
Stirling Council	Yes	01 October 2019	£22,000	Validated by Council	2.0%	-4.33%	£0.00	Benchmarked Current Contract
West Dunbartonshire Council	No							
West Lothian Council	Yes	01 October 2019	£73,000	Based on Previous MI	2.0%	-3.85%	£0.00	Benchmarked Current Contract
Tayside Contracts	No							
<b>Totals</b>			<b>£3,016,575</b>		<b>2.00%</b>	<b>1.4%</b>	<b>£43,264</b>	
Associate Members	No							
<b>Totals</b>			<b>£3,016,575</b>		<b>2.00%</b>	<b>1.4%</b>	<b>£43,264</b>	

\*Indexation: this column indicates the comparison between relevant market indices and current contract pricing. For this contract, current contract pricing is presently 2.0% below the market



**Appendix 2 – Summary of Offers Received**

<b>Tenderer's Name</b>	<b>SME Status</b>	<b>Location</b>	<b>Lots Tendered</b>
Apetito Limited	Large	Wiltshire	1 & 2
I Care (GB) Limited	Large	Blackpool	2 & 3



**Appendix 3 – Scoring and Recommendations**

<b>Lot 1: Bulk Delivery to a Central Distribution Point</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Awarded</b>
Apetito Limited	92.42	Yes

<b>Lot 2: Frozen Delivery Service to Customers at Home/ Nominated Premises</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Awarded</b>
ICare (GB) Limited	93.32	Yes
Apetito Limited	92.50	Yes

<b>Lot 3: Daily Delivery of Hot Meals to Customers at Home/ Nominated Premises</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Awarded</b>
ICare (GB) Limited	92.21	Yes



**Appendix 4 – List of Recommended Suppliers with Living Wage Status**

Supplier	Accredited	Currently progressing through Living Wage accreditation process	Committed to gaining accreditation over the first two years of framework	Pay Living Wage to all employees (except, volunteers, apprentices and interns) but not accredited	Committed to paying the Living Wage to all employees (except, volunteers, apprentices and interns) within first two years of framework.	Neither accredited nor paying Living Wage
Apetito Limited	YES					
ICare (GB) Limited						YES