

Scotland Excel

To: Executive Sub Committee

On: 26 January 2018

**Report
by
Director Scotland Excel**

Tender: Repair and Maintenance of Catering Equipment

Schedule: 21/17

**Period: 8 January 2018 (effective date 16 February 2018) until 7 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 (OSS) 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 catering equipment repair and maintenance, which will operate from 8 January 2018 (effective date 16 February 2018) to 7 January 2020, with the option to extend for up to two 12 month periods until 7 January 2022.

This framework will provide councils with a mechanism to procure repair and maintenance services for commercial gas, electrical and refrigeration catering equipment. The framework was advertised at a value of £8 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 3 lots as summarised in Table 1.

Lot Number	Lot Name	Estimated %age of Spend
1	Repair and Maintenance of Gas Catering Equipment	37.5%
2	Repair and Maintenance of Electrical Catering Equipment	37.5%
3	Repair and Maintenance of Refrigeration Equipment	25%

Table 1: Lot Structure

The lotting structure recognises the importance of councils being able to procure the repair and maintenance of commercial catering equipment whilst allowing access for a range of suppliers to bid.

The OSS Team engaged with the councils to request requirements and anticipated timescales for tenders. It was indicated that the majority of councils required this framework within the first two years of OSS activity.

3. Procurement Process

A Prior Information Notice (PIN) was published on 3 July 2017 which resulted in expressions of interest from 21 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 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.

Within the commercial section, bidders were invited to offer for a number of services on a lot-by-lot basis.

4. Report on Offers Received

The tender document was downloaded by 14 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.

The 8 recommended suppliers, of which 7 are SMEs 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 are forecast at 1.5% which equates to estimated total savings of approximately £30k per annum, based on current spend forecasts. This project average saving was calculated by benchmarking the current rate charged by major participants against the tendered rate from the same participants.

Savings that can be achieved will depend on a council's purchasing practice.

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 request for a price variance on an annual basis. Any price increase will not exceed the rate of CPI

(Consumer Price Index) increase in the preceding 12 months. Suppliers may submit a price decrease at any time during the framework contract period.

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 employability workshops, work experience placements, training sessions for council apprentices and recruitment of modern apprentices and other persons.

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;

- all pay the Scottish Living Wage or above to all employees (except volunteers, apprentices and interns)
- two suppliers are accredited Living Wage employers

Other Benefits

The framework will provide councils with a clear pricing and delivery charge structure, simplifying the purchase process and ensuring best value is achieved. In addition;

- three of the recommended suppliers are classified as small in terms of SME status
- two of the recommended suppliers are classified as micro businesses

Seven of the recommended suppliers are based in Scotland, supporting the Scottish economy.

The framework also provides councils with the opportunity to consolidate future requirements of this type rather than awarding contracts on a job by job basis as is current practice, further streamlining the procurement process.

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 provision of catering equipment repair and maintenance 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
Catering Supplies and Repairs Company Ltd	Small	Larbert	1,2,3
Fast Fixx Catering Engineers Ltd	Small	Glasgow	1,2,3
Integrated Catering Equipment UK Ltd	Micro	Aberdeen	1,2,3
JLA Limited	Large	Ripponden	1,2,3
Lovat's Catering Engineering Services Ltd T/A Lovat's Group	Small	Kirkcaldy	1,2,3
Merchant City Refrigeration (Scotland) Ltd.	Micro	Glasgow	3
ScoMac Catering Equipment Ltd	Medium	Livingston	1,2
Sparks Mechanical Services Ltd	Medium	Paisley	1,2,3

Appendix 2 - Scoring and Recommendations

(Asterisk (*) denotes recommended supplier)

Lot 1 – Gas Catering Equipment Repair and Maintenance	
Tenderer	Score
FastFixx Catering Engineers Ltd*	93.57
Lovat's Catering Engineering Services Ltd T/A Lovat's Group*	63.29
Catering Supplies and Repairs Company Ltd*	60.21
Integrated Catering Equipment UK Ltd*	59.16
Sparks Mechanical Services Ltd*	58.74
JLA Limited*	52.84
ScoMac Catering Equipment Ltd*	45.50

Lot 2 – Electrical Catering Equipment Repair and Maintenance	
Tenderer	Score
FastFixx Catering Engineers Ltd*	93.57
Lovat's Catering Engineering Services Ltd T/A Lovat's Group*	63.29
Catering Supplies and Repairs Company Ltd*	60.21
Integrated Catering Equipment UK Ltd*	59.16
Sparks Mechanical Services Ltd*	58.74
JLA Limited*	52.84
ScoMac Catering Equipment Ltd*	45.50

Lot 3 – Refrigeration Equipment Repair and Maintenance	
Tenderer	Score
Merchant City Refrigeration (Scotland) Ltd*	94.54
FastFixx Catering Engineers Ltd*	88.24
Lovat's Catering Engineering Services Ltd T/A Lovat's Group*	66.79
Catering Supplies and Repairs Company Ltd*	64.03
Integrated Catering Equipment UK Ltd*	62.64
Sparks Mechanical Services Ltd*	59.45
JLA Ltd*	55.60