

Scotland Excel

To: Executive Sub Committee

On: 28 February 2020

**Report
by
Director Scotland Excel**

Tender: Supply & Delivery of Waste Disposal Equipment

Schedule: 14/19

Period: 01 April 2020 until 31 March 2024

1. Introduction and Background

This framework will provide Councils and other participating bodies with a mechanism to procure a wide range of waste disposal equipment including, but not limited to, large containers, skips, compactors, balers and roll packers.

Further to 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 renewal will be a third-generation framework for Waste Disposal Equipment. The current framework agreement went live on 1 April 2016 and is due to expire on 31 March 2020 following a 12-month extension.

The end users of this framework are likely to be the Waste and/or Environment Departments within Councils. The framework is also available to associate members of Scotland Excel.

2. Scope, Participation and Spend

As part of the strategy development and through consultation with the User Intelligence Groups, the proposal of a 4-lot framework was endorsed as summarised in Figure 1.

Figure 1

Lot Number	Lot Name	Framework Spend
1	Skips and Containers	45%
2	Compactors	5%
3	Balers	40%
4	Roll Packers	10%

As detailed in Appendix 1, 31 Councils have confirmed their intention to participate. East Ayrshire currently have their own arrangement in place. The nature of the goods procured under this framework, and the sporadic and often unplanned purchasing intervals, mean that accurately predicting an overall framework spend value is difficult. Unless Councils have a specific project planned over the next four-year period linked to capital spend, many cannot accurately predict their future requirements or spend levels. Based on the forecast spend levels by participating Councils, the previous framework spends collected in management information returns and to allow for a contingency the framework was advertised at a value of £5million over the four-year period (£1.25 million per annum). The detailed forecasted annual spend by Council is shown in Appendix 1.

3. Procurement Process

A UIG consisting of procurement and technical representatives was established to develop a procurement strategy to deliver end user requirements. In addition, a working group of technical and procurement representatives was formed to fully develop the technical specifications and participate in the tender evaluation.

A Prior Information Notice (PIN) was published on 12th August 2019 with 27 companies expressing an interest in the opportunity. Market engagement was conducted, resulting in 4 supplier meetings, which helped to provide an understanding of the marketplace as well as current service requirements.

The UIG agreed that an open tender process should be followed to establish the renewal framework to ensure maximum competition and the inclusion of all potential bidders to service the framework.

This framework was advertised in the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal on the 18th November 2019. The tender process was conducted using the Public Contracts Scotland Tender (PCS-Tender) system.

All bidders were evaluated against selection criteria using the European Single Procurement Document (ESPD), and the award criteria as stated in the contract notice. The award criteria included technical and commercial sections that were evaluated against the following weightings:

All Lots

Technical 20%

Commercial 80%

Within the commercial section, bidders were invited to offer on a lot by lot basis per Council area and were evaluated and scored on this basis. Bidders were also invited to offer additional benefits such as additional discounts, fixed pricing, added value and settlement discounts.

Within the technical section, bidders were required to evidence their knowledge and experience by responding to the following series of technical questions:

Figure 2

Question	Description	Weighting
1	Service, Repair & Maintenance of Equipment	5
2	Customer Sales Support	5
3	Sustainability	4
4	Fair Work Practices	4
5	Community Benefits Commitment	2

4. Report on Offers Received

The tender document was downloaded by 32 organisations, with 9 tender responses received. A summary of the offers received is provided in Appendix 2.

Based on the criteria and scoring methodology as set out in the tender document, a full evaluation of the offers received was completed. Appendix 3 confirms 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 agreement is awarded to eight suppliers across the four lots and Council geographical areas as detailed in Appendix 3.

These eight recommended suppliers offer best value and represent a mix of small, medium and large organisations with seven of the recommended suppliers classified as SMEs. The range of suppliers recommended also provides competitive options for all participating Councils, high quality waste management products as well as offering a degree of choice and capacity. Furthermore, it delivers the objective of increasing the competition and flexibility of choice for Councils.

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current prices paid with the prices submitted against the new framework. The benchmarking could only be carried out on lot 1 (skips and containers) that cover specific products. Lots 2, 3 and 4 were based around a typical specification for commercial evaluation purposes only but will not facilitate a like for like pricing comparison as they will primarily be bespoke requirements procured via mini competitions. The result of this benchmarking is listed in Appendix 1, with an average projected saving across all Councils estimated at 1%.

Price Stability

All bidders have agreed to hold prices for an initial 12-month period. Additional fixed pricing periods have been offered by six bidders ranging from 12 months to full framework duration. Any requests for price increases during the duration of the framework will be evaluated against prevailing market conditions and require to be supported by documentary evidence.

Sustainable Procurement Benefits

Within the technical section of the tender, the sustainability method statement assessed bidders in relation to their corporate approach to sustainability to minimise the impact of the supply chain on the environment. A range of sustainable measures were outlined by bidders including; waste prevention, reuse and recycling initiatives, segregation of waste streams in order to reduce waste to landfill, developing innovative products that are more energy efficient, use of bio-fuels or solar power cells, extending products' lifecycle through offering refurbished products.

Community Benefits

Bidders were asked to commit to the delivery of community benefit initiatives, per Council, against pre-agreed spend threshold levels outlined within the community benefits method statement. The benefits aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spend with a supplier. These 'points' correlate to a negotiable benefit that the Council can elect to receive at any given point throughout the lifetime of the framework. Seven of the eight recommended bidders have committed to delivering these benefits.

Within the published tender documents, bidders were given a list of indicative community benefits that could be agreed with Councils. Examples of the indicative benefits which were conveyed to providers were:

- Improve the skill profile of the population
- Improve levels of education attainment

- Increase the proportion of young people in learning, training or work
- Improve people's perceptions of the quality of public services
- Reduce children's deprivation
- Reduce Scotland's Carbon Footprint
- Reduce Waste

Scotland Excel will monitor 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 bi-annual basis.

Fair Work Practice including Real Living Wage

Scotland Excel recognise that part of the delivery of high-quality public services depends on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and is engaged in decision making. Within the technical section of the tender, this method statement assessed bidders on areas such as how they will commit to fair work practices including payment of the Real Living Wage, a fair pay policy for seasonal workers, improving wider diversity of staff and avoiding exploitative employment practices such as no inappropriate use of zero hours contracts.

Of the eight recommended bidders, one bidder is an accredited Real Living Wage Employer, one is currently going through the process of becoming an accredited Real Living Wage Employer, one bidder agreed to make the same commitment within the first two years of the framework and five bidders are not accredited but currently pay the Real Living Wage to their staff.

A summary of responses can be found in Appendix 4.

7. Contract Mobilisation and Management

As part of the mobilisation process, all bidders will be invited to a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefits. Bidders and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a category D arrangement in terms of both risk and spend requiring annual supplier and user group reviews as appropriate.

8. Summary

This is a third-generation framework for the supply and delivery of waste disposal equipment which maximises collaboration, facilitates the procurement of high-quality waste disposal equipment, promotes added value and delivers best value in line with its strategic objectives.

The Executive Sub Committee is requested to approve the recommendation to award this framework to the bidders detailed within Appendix 3.

Appendix 1 – Participation, Spend and Savings Summary

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 April 2020	£208,089	Contract MI	1.25%	1.0%	£2,081	Benchmarked Current Contract
Aberdeenshire Council	Yes	01 April 2020	£288,500	Member Provided	1.25%	1.0%	£2,885	Benchmarked Current Contract
Angus Council	Yes	01 April 2020	£58,919	Contract MI	1.25%	1.0%	£589	Benchmarked Current Contract
Argyll and Bute Council	Yes	01 April 2020	£30,000	Member Provided	1.25%	1.0%	£300	Benchmarked Current Contract
City of Edinburgh Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%		
Clackmannanshire Council	Yes	01 April 2020	£2,243	Contract MI	1.25%	1.0%	£22	Benchmarked Current Contract
Comhairle nan Eilean Siar	Yes	01 April 2020	£19,783	Contract MI	1.25%	1.0%	£198	Benchmarked Current Contract
Dumfries and Galloway Council	Yes	01 April 2020	£13,250	Member Provided	1.25%	1.0%	£133	Benchmarked Current Contract
Dundee City Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%	£0	Benchmarked Current Contract
East Ayrshire Council	No*			N/A	1.25%	1.0%		
East Dunbartonshire Council	Yes	01 April 2020	£2,290	Contract MI	1.25%	1.0%	£23	Benchmarked Current Contract
East Lothian Council	Yes	01 April 2020	£10,316	Contract MI	1.25%	1.0%	£103	Benchmarked Current Contract
East Renfrewshire Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%	£0	Benchmarked Current Contract
Falkirk Council	Yes	01 April 2020	£114,405	Contract MI	1.25%	1.0%	£1,144	Benchmarked Current Contract
Fife Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%	£0	Benchmarked Current Contract
Glasgow City Council	Yes	01 April 2020	£10,000	Member Provided	1.25%	1.0%	£100	Benchmarked Current Contract
Highland Council	Yes	01 April 2020	£109,750	Member Provided	1.25%	1.0%	£1,098	Benchmarked Current Contract
Inverclyde Council	Yes	01 April 2020	£14,260	Contract MI	1.25%	1.0%	£143	Benchmarked Current Contract
Midlothian Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%		
Moray Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%	£0	Benchmarked Current Contract
North Ayrshire Council	Yes	01 April 2020	£28,000	Member Provided	1.25%	1.0%	£280	Benchmarked Current Contract
North Lanarkshire Council	Yes	01 April 2020	£0	N/A	1.25%	1.0%	£0	Benchmarked Current Contract
Orkney Islands Council	Yes	01 April 2020	£27,859	Contract MI	1.25%	1.0%	£279	Benchmarked Current Contract
Perth and Kinross Council	Yes	01 April 2020	£39,741	Member Provided	1.25%	1.0%	£397	Benchmarked Current Contract
Renfrewshire Council	Yes	01 April 2020	£12,500	Member Provided	1.25%	1.0%	£125	Benchmarked Current Contract
Scottish Borders Council	Yes	01 April 2020	£18,021	Contract MI	1.25%	1.0%	£180	Benchmarked Current Contract
Shetland Islands Council	Yes	01 April 2020	£6,055	Contract MI	1.25%	1.0%	£61	Benchmarked Current Contract
South Ayrshire Council	Yes	01 April 2020	£10,906	Member Provided	1.25%	1.0%	£109	Benchmarked Current Contract
South Lanarkshire Council	Yes	01 April 2020	£21,933	Contract MI	1.25%	1.0%	£219	Benchmarked Current Contract
Stirling Council	Yes	01 April 2020	£41,250	Member Provided	1.25%	1.0%	£413	Benchmarked Current Contract
Tayside Contracts	No	01 April 2020	£0	N/A	1.25%	1.0%	£0	Benchmarked Current Contract
West Dunbartonshire Council	Yes	01 April 2020	£10,044	Contract MI	1.25%	1.0%	£100	Benchmarked Current Contract
West Lothian Council	Yes	01 April 2020	£4,327	Contract MI	1.25%	1.0%	£43	Benchmarked Current Contract
Totals			£1,102,441		1.25%	1.0%	£11,024	

No* - Own arrangement in place

Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lots Tendered
Bergmann Direct Ltd	Small	Lincolnshire	2 & 4
Blue Machinery (Scotland) Ltd	Medium	Stirling	3
CK International Ltd	Medium	Dungannon	2 & 3
Forth Skip Repair and Refurbishers Ltd	Small	Falkirk	1
Grade-All International Ltd	Small	Dungannon	2 & 3
Ken Mills Engineering Ltd	Small	Littleborough	3
Reconomy (UK) Ltd	Large	Telford	1, 2, 3 & 4
Skip Units Limited	Medium	Derbyshire	1
Thetford International Products Ltd	Small	Thetford	2

Appendix 3 – Scoring and Recommendations

	Lot 1				Lot 2				
	Forth Skip Repair and Refurbishers Ltd	Reconomy (UK) Ltd	Skip Units Limited		Bergmann Direct Ltd	CK International Ltd	Grade-All International Ltd	Reconomy (UK) Ltd	* Thetford International Products Ltd
Aberdeen City Council	98.49	85.98	76.23	Aberdeen City Council	85.57	95.32	83.92	99.00	53.44
Aberdeenshire Council	98.47	86.21	77.52	Aberdeenshire Council	93.29	95.52	84.19	99.00	60.33
Angus Council	98.47	85.59	76.07	Angus Council	93.42	94.92	83.60	99.00	59.97
Argyll & Bute Council	98.28	85.91	80.88	Argyll & Bute Council	93.93	95.42	No offer	99.00	60.27
City of Edinburgh Council	98.47	85.45	75.78	City of Edinburgh Council	93.20	94.71	83.76	99.00	59.84
Clackmannanshire Council	98.47	85.45	75.78	Clackmannanshire Council	93.20	94.71	83.76	99.00	59.84
Comhairle nan Eilean Siar	98.50	88.28	No offer	Comhairle nan Eilean Siar	91.64	98.75	No offer	98.68	53.47
Dumfries & Galloway Council	98.27	85.67	80.52	Dumfries & Galloway Council	93.61	95.11	84.33	99.00	60.08
Dundee City Council	98.40	85.65	77.98	Dundee City Council	93.52	95.01	83.73	99.00	60.02
East Ayrshire Council	98.43	85.55	77.25	East Ayrshire Council	93.42	94.92	84.06	99.00	59.97
East Dunbartonshire Council	98.47	85.45	75.78	East Dunbartonshire Council	93.20	94.71	83.76	99.00	59.84
East Lothian Council	98.47	85.45	75.78	East Lothian Council	93.20	94.71	83.53	99.00	59.84
East Renfrewshire Council	98.45	85.57	76.52	East Renfrewshire Council	93.30	94.80	83.90	99.00	59.89
Falkirk Council	98.50	85.21	74.29	Falkirk Council	93.00	94.51	83.49	99.00	59.72
Fife Council	98.43	85.55	77.25	Fife Council	93.42	94.92	83.83	99.00	59.97
Glasgow City Council	98.43	85.55	77.25	Glasgow City Council	93.42	94.92	84.06	99.00	59.97
Highland Council	98.47	86.21	77.07	Highland Council	93.29	95.52	No offer	99.00	51.86
Inverclyde Council	98.45	85.57	76.52	Inverclyde Council	93.30	94.80	83.90	99.00	59.89
Midlothian Council	98.45	85.57	76.52	Midlothian Council	93.30	94.80	83.67	99.00	59.89
Moray Council	98.09	85.98	82.94	Moray Council	93.50	95.73	84.48	99.00	51.96
North Ayrshire Council	98.45	85.57	76.52	North Ayrshire Council	93.30	94.80	83.90	99.00	59.89
North Lanarkshire Council	98.45	85.57	76.52	North Lanarkshire Council	93.30	94.80	83.90	99.00	59.89
Orkney Islands Council	98.50	88.62	No offer	Orkney Islands Council	91.64	98.75	No offer	97.49	53.47
Perth & Kinross Council	98.45	85.57	76.52	Perth & Kinross Council	93.30	94.80	83.44	99.00	57.50
Renfrewshire Council	98.45	85.57	76.52	Renfrewshire Council	93.30	94.80	83.90	99.00	59.89
Scottish Borders Council	98.23	85.75	81.22	Scottish Borders Council	93.71	95.21	83.76	99.00	60.14
Shetland Islands Council	98.50	90.56	No offer	Shetland Islands Council	90.83	98.75	No offer	95.49	53.47
South Ayrshire Council	98.45	85.57	76.52	South Ayrshire Council	93.30	94.80	83.90	99.00	59.89
South Lanarkshire Council	98.45	85.57	76.52	South Lanarkshire Council	93.30	94.80	83.90	99.00	59.89
Stirling Council	98.47	85.45	75.78	Stirling Council	93.20	94.71	83.53	99.00	59.84
Tayside Contracts	98.45	85.57	76.52	Tayside Contracts	93.30	94.80	83.44	99.00	59.89
West Dunbartonshire Council	98.45	85.57	76.52	West Dunbartonshire Council	93.30	94.80	83.90	99.00	59.89
West Lothian Council	98.49	85.32	75.04	West Lothian Council	93.10	94.61	83.40	99.00	59.78
									* = Not Awarded

	Lot 3						Lot 4	
	Blue Machinery (Scotland) Ltd	CK International Ltd	Grade-All International Ltd	Ken Mills Engineering Ltd	Reconomy (UK) Ltd		Bergmann Direct Ltd	Reconomy (UK) Ltd
Aberdeen City Council	70.15	96.52	70.94	63.18	66.79	Aberdeen City Council	99.50	84.11
Aberdeenshire Council	70.15	96.52	70.94	63.18	66.50	Aberdeenshire Council	99.50	84.00
Angus Council	70.15	96.52	70.95	63.18	67.41	Angus Council	99.50	84.35
Argyll & Bute Council	70.15	98.75	No offer	64.84	67.86	Argyll & Bute Council	99.50	84.05
City of Edinburgh Council	70.15	96.46	71.31	64.84	67.71	City of Edinburgh Council	99.50	84.47
Clackmannanshire Council	70.15	96.46	71.31	64.84	67.71	Clackmannanshire Council	99.50	84.47
Comhairle nan Eilean Siar	70.15	98.75	No offer	64.84	63.14	Comhairle nan Eilean Siar	99.50	85.68
Dumfries & Galloway Council	70.15	96.46	71.31	64.84	67.08	Dumfries & Galloway Council	99.50	84.23
Dundee City Council	70.15	96.52	70.95	64.84	67.26	Dundee City Council	99.50	84.29
East Ayrshire Council	70.15	96.46	71.31	64.84	67.38	East Ayrshire Council	99.50	84.35
East Dunbartonshire Council	70.15	96.46	71.31	64.84	67.71	East Dunbartonshire Council	99.50	84.47
East Lothian Council	70.15	96.52	70.95	64.84	67.75	East Lothian Council	99.50	84.47
East Renfrewshire Council	70.15	96.46	71.31	64.84	67.56	East Renfrewshire Council	99.50	84.42
Falkirk Council	70.15	96.46	71.31	64.84	66.15	Falkirk Council	99.50	84.59
Fife Council	70.15	96.52	70.95	64.84	67.41	Fife Council	99.50	84.35
Glasgow City Council	70.15	96.46	71.31	64.84	67.38	Glasgow City Council	99.50	84.35
Highland Council	70.15	98.75	No offer	63.18	67.72	Highland Council	99.50	84.83
Inverclyde Council	70.15	96.46	71.31	64.84	67.56	Inverclyde Council	99.50	84.42
Midlothian Council	70.15	96.52	70.95	64.84	67.59	Midlothian Council	99.50	84.42
Moray Council	70.15	96.52	70.95	63.18	66.18	Moray Council	99.50	84.70
North Ayrshire Council	70.15	96.46	71.31	64.84	67.56	North Ayrshire Council	99.50	84.42
North Lanarkshire Council	70.15	96.46	71.31	64.84	67.56	North Lanarkshire Council	99.50	84.42
Orkney Islands Council	70.15	98.75	No offer	60.76	62.22	Orkney Islands Council	99.50	85.21
Perth & Kinross Council	70.15	96.52	70.95	64.84	67.59	Perth & Kinross Council	99.50	84.42
Renfrewshire Council	70.15	96.46	71.31	64.84	67.56	Renfrewshire Council	99.50	84.42
Scottish Borders Council	70.15	96.52	70.98	64.84	66.96	Scottish Borders Council	99.50	84.18
Shetland Islands Council	70.15	98.75	No offer	60.76	60.72	Shetland Islands Council	99.50	88.23
South Ayrshire Council	70.15	96.46	71.31	64.84	67.56	South Ayrshire Council	99.50	84.42
South Lanarkshire Council	70.15	96.46	71.31	64.84	67.56	South Lanarkshire Council	99.50	84.42
Stirling Council	70.15	96.52	70.95	64.84	67.75	Stirling Council	99.50	84.47
Tayside Contracts	70.15	96.52	70.95	64.84	67.59	Tayside Contracts	99.50	84.42
West Dunbartonshire Council	70.15	96.46	71.31	64.84	67.56	West Dunbartonshire Council	99.50	84.42
West Lothian Council	70.15	96.52	70.95	64.84	67.90	West Lothian Council	99.50	84.53

Appendix 4 – Recommended Service Providers with Real Living Wage Status

Supplier	Accredited	Currently progressing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
Bergmann Direct Ltd				Yes		
Blue Machinery (Scotland) Ltd				Yes		
CK International Ltd		Yes				
Forth Skip Repair and Refurbishers Ltd			Yes			
Grade-All International Ltd	Yes					
Ken Mills Engineering Ltd				Yes		
Reconomy (UK) Ltd				Yes		
Skip Units Limited				Yes		