



## Scotland Excel

**To: Executive Sub Committee**

**On: 22 March 2019**

**Report  
by  
Director Scotland Excel**

**Tender: Supply, Delivery, Installation & Maintenance of Vending Machines**

**Schedule: 21/18**

**Period: 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023**

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

This recommendation is for a new framework arrangement for the Supply, Delivery, Installation & Maintenance of Vending Machines, which will operate from 01 May 2019 to 30 April 2022, with the option to extend for up to an additional one-year period until 30 April 2023.

The requirement for this procurement has been identified through consultation with commodity User Intelligence Groups (UIGs) within the Corporate portfolio. Currently there appears to be no national or regional framework agreement in place to procure these requirements, with most local authorities utilising their own individual arrangements. This presents an opportunity for Scotland Excel to provide a national collaborative solution which will drive value through the consolidation of spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities.

The framework was advertised at a value of £5 million over the four-year period.

This 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 UIG endorsed the inclusion of 5 lots as summarised in Figure 1.

The lot structure will provide a mechanism for local authorities so that they can procure a range of vending machines as well as the associated consumables. This includes, but is not limited to, 8-16 select machines, 20-50 select

machines, hot drink machines, rotating drum machines and associated products.

These products will be predominately used by local authority leisure and catering teams, within leisure centres, cafes, schools and office units.

The new framework has an annual value of approximately £1.25 million across 32 local authorities, and Tayside Contracts.

**Figure 1: Lot Structure**

Lot Number	Lot Name
1	Purchase & Lease of New Vending Machines
2	Rental of New Vending Machines
3	Purchase & Lease of Refurbished Vending Machines
4	Rental of Refurbished Vending Machines
5	Fully Managed Service

### 3. Procurement Process

A Prior Information Notice (PIN) was dispatched on 12 September 2018 with 22 organisations expressing an interest in the opportunity and there were 9 supplier meetings held as a result of this. The supplier meetings helped with the development of the framework as well as understanding the current marketplace better.

As a matter of best practice and to ensure that the framework aligned with local authority requirements, consultation was conducted to understand their service requirements and current purchasing practices.

To ensure maximum competition an open tender process was used, and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 11 January 2019. The tender process was conducted using the Public Contracts Scotland Tender (PCS-T) system.

The procurement process followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD Scotland). Within the ESPD, tenderers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing, quality management, health and safety, and environmental management policies and/or procedures.

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

Commercial 80%  
Technical 20%

Tenderers were required to indicate which lots that they were bidding for, and the local authorities which they had an ability to service.

Tenderers were invited to bid on the following basis;

- In the Commercial Section, a national net delivered product price & national net installation price for each product listed for each lot as well as call-out rates for maintenance and repair within the schedule of offer;
- In the Technical Section, as outlined in Figure 2, scored method statements on community benefits, customer service & contract management, maintenance of machines, fair work practices and sustainability.

**Figure 2: Scoring Breakdown**

<b>Section</b>	<b>Question</b>	<b>Maximum Score Available</b>
<b>Commercial 80%</b>		
<b>Technical 20%</b>	Community Benefits	<b>3</b>
	Customer Service & Contract Management	<b>3</b>
	Maintenance of Machines	<b>5</b>
	Fair Work Practices	<b>3</b>
	Sustainability	<b>6</b>

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

These suppliers provide the range of products and services required by local authorities, as well as representing best value and meeting all technical specifications.

#### **5. Benefits**

##### **Savings**

Accurate benchmarking is difficult to calculate due to a lack of spend information proceeding from local authorities at present. However, this has been forecast at approximately 6% based on wider market analysis, and a comparison with the savings reports of other first-generation frameworks. This will be monitored on an ongoing basis, and individual benchmarking conducted when required for local authorities.

##### **Price Stability**

Tenderers have accepted as part of the terms & conditions of the framework that they will hold prices firm for the first 12 months of the framework.

After the initial 12 months, suppliers may submit a request for a price variance on an annual basis. Suppliers may submit a price decrease at any time throughout the duration of the framework.

## **Sustainable Procurement Benefits**

### **Community Benefits**

Tenderers were asked to detail community benefit initiatives that they would commit to deliver throughout the duration of the framework.

Community benefits received as part of the tender submissions included; sponsorship of local sports teams and community events, donation of materials and labour to support community projects, donation of product vouchers, work experience placements, employability workshops, training sessions, and the recruitment of modern apprentices and/or staff members.

### **Fair Work Practices**

Tenderers were also asked to confirm their approach to fair work practices and the Scottish Living Wage, details of which can be found in Appendix 3. Of the 9 recommended suppliers, 8 currently pay the Scottish Living Wage to all employees with 2 of these being accredited with the Living Wage Foundation.

### **Sustainability**

Tenderers were asked to detail their approach to sustainability, and were asked how their organisations reduced waste, considered the environmental impact of transportation, and demonstrated that their products came from sustainable, reliable, and approved sources.

Offers included a range of recycling initiatives including the use of recyclable compostable and/or reusable drinking cups as well as encouraging the use of can vending machines to reduce plastic consumption.

Tenderers also advised that they utilised route planning technologies to reduce mileage, as well as the increased adoption of Euro 6 standard vehicles within their fleets for the delivery of products.

In addition to this, tenderers provided details on how they monitor stock holding which included the range of products stocked, where these products will be stocked, stock levels, how often products are restocked and use of IT materials management systems (e.g. bar coding) to manage inventory.

Tenderers advised they regularly conduct supplier assessments to ensure fair working practices and ensure their suppliers are conforming to ISO 14001 (Environmental Management) regulations.

## **6. Contract Mobilisation and Management**

Both suppliers and participating members will be issued with a mobilisation pack containing information relating to 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 level 3 arrangement in terms of both risk and spend. As such, Scotland Excel will review the framework with suppliers as appropriate, whilst monitoring management information and community benefits associated with this framework.

## **7. Summary**

This framework for the Supply, Delivery, Installation & Maintenance of Vending Machines aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits can be reported in relation to savings, price stability, community benefits and sustainability.

The Executive Sub Committee is requested to approve the recommendation to award placings on this framework to the suppliers as detailed in Appendix 2.



## Appendix 1 – Offers Received & SME Status

<b>Tenderer</b>	<b>SME Status</b>	<b>Location</b>	<b>Lots Tendered</b>
Abercromby Vending Ltd	Small	Dalmarnock, Glasgow City	1,2,3,4,5
Centravend Ltd	Small	Linlithgow, Edinburgh City	1
Early Bird Catering Limited	Micro	Aberdeen, Aberdeen City	1,2,3,4,5
Eden Springs UK Limited	Large	Hamilton, South Lanarkshire	1,2,3,4
Excel Vending Limited	Small	East Kilbride, South Lanarkshire	1,2,3,4,5
Ideal Services Scotland Limited	Small	Dalgety Bay, Fife	1,2,3,4,5
Norscott Vending Services Limited	Small	Inverness, Highlands	1,2,5
Selecta UK Limited	Large	London, England	1,2,3,4,5
Templeman Retailing and Vending Limited	Medium	Bellshill, North Lanarkshire	1,2,3,4,5





## Appendix 2 - Scoring and Recommendations

<b>Lot 1 - Purchase of New Vending Machines</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 1: Yes/No</b>
Excel Vending Limited	97.00	Yes
Abercromby Vending Ltd	86.31	Yes
Templeman Retailing and Vending Limited	78.99	Yes
Ideal Services Scotland Limited	69.91	Yes
Eden Springs UK Limited	66.16	Yes
Selecta UK Limited	65.07	Yes
Norscott Vending Services Limited	64.35	Yes
Early Bird Catering Limited	64.07	Yes
Centravend Ltd	61.73	Yes

<b>Lot 2 - Rental of New Vending Machines</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 2: Yes/No</b>
Templeman Retailing and Vending Limited	93.25	Yes
Excel Vending Limited	54.80	Yes
Ideal Services Scotland Limited	40.02	Yes
Abercromby Vending Ltd	38.32	Yes
Eden Springs UK Limited	34.94	Yes
Selecta UK Limited	34.81	Yes
Norscott Vending Services Limited	31.58	Yes
Early Bird Catering Limited	31.32	Yes

<b>Lot 3 - Purchase of Refurbished Vending Machines</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 3: Yes/No</b>
Excel Vending Limited	97.00	Yes
Templeman Retailing and Vending Limited	78.00	Yes
Abercromby Vending Ltd	63.79	Yes
Ideal Services Scotland Limited	58.25	Yes
Early Bird Catering Limited	56.34	Yes
Eden Springs UK Limited	51.47	Yes
Selecta UK Limited	48.20	Yes

<b>Lot 4 - Rental of Refurbished Vending Machines</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 4: Yes/No</b>
Templeman Retailing and Vending Limited	93.25	Yes
Excel Vending Limited	61.65	Yes
Ideal Services Scotland Limited	51.88	Yes
Abercromby Vending Ltd	43.56	Yes
Early Bird Catering Limited	40.47	Yes
Eden Springs UK Limited	40.35	Yes
Selecta UK Limited	40.31	Yes

<b>Lot 5 - Fully Managed Service</b>		
<b>Tenderer</b>	<b>Score</b>	<b>Award to Lot 5: Yes/No</b>
Excel Vending Limited	97.00	Yes
Abercromby Vending Ltd	95.00	Yes
Early Bird Catering Limited	93.75	Yes
Selecta UK Limited	93.25	Yes
Templeman Retailing and Vending Limited	93.25	Yes
Ideal Services Scotland Limited	92.25	Yes
Norscott Vending Services Limited	86.00	Yes



### Appendix 3 – List of Recommended Suppliers with Scottish Living Wage Status

Supplier	Accredited	Currently progressing through Scottish Living Wage accreditation process	Pay Scottish Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Scottish Living Wage to all employees, but not accredited	Neither accredited nor paying Scottish Living Wage, but do commit to pay the Scottish Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Scottish Living Wage
Abercromby Vending Ltd	Yes					
Centravend Ltd			Yes			
Early Bird Catering Limited				Yes		
Eden Springs UK Limited			Yes			
Excel Vending Limited	Yes					
Ideal Services Scotland Limited				Yes		
Norscott Vending Services Limited			Yes			
Selecta UK Limited					Yes	
Templeman Retailing and Vending Limited				Yes		