

Scotland Excel

To: Executive Sub Committee

On: 31st January 2020

**Report
by
Director Scotland Excel**

Tender: Supply & Distribution of Fresh Fruit & Vegetables

Schedule: 1019

Period: 01 April 2020 until 31 March 2022, with the option to extend for up to an additional two 12-month periods until 30 March 2024.

1. Introduction and Background

This framework will provide councils and other participating bodies with a mechanism to procure a range of fresh/organic fruit and vegetables and will support councils with the introduction of the revised nutrition act that now requires a minimum of two portions of vegetables and a portion of fruit to be offered as part of a school lunch, in both primary and secondary schools.

2. Scope, Participation and Spend

As part of the strategy development and through consultation with the User Intelligence Groups (UIG), the inclusion of a 2 lot framework was endorsed as summarised in Figure 1.

Figure 1

Lot Number	Lot Name	Framework Spend
1	Lot 1 - Fresh Fruit and Vegetables	90%
2	Lot 2 - Fresh Organic Fruit and Vegetables	10%

As this is the first generation of this framework, current figures on council participation were initially based on the Scottish Procurement Information Hub, and then issued to councils for validation. A number of councils have their own contracts already in place and it is anticipated that when these arrangements end the councils will migrate over to the Scotland Excel framework.

The framework has an advertised value of £6 million over the four years, and this report summarises the outcome of the procurement process.

3. Procurement Process

A User Intelligence Group (UIG) consisting of representatives from participating member 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

A Prior Information Notice (PIN) was published on 13th May 2019 with 14 companies expressing an interest in the opportunity. Market engagement was conducted, resulting in 6 supplier meetings, which helped to provide an understanding of the marketplace as well as current service requirements.

The procurement exercise followed an open tender process to ensure maximum competition and the inclusion of all potential suppliers to service the framework. All bidders were evaluated against selection criteria using the European Single Procurement Document (ESPD), and award criteria concurrently. The award criteria included technical and commercial sections that were evaluated against the following weightings:

All Lots

Technical 35%

Commercial 65%

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	Lot 1 and 2 Weighting
1	Fair Work Practices	5
2	Supply Chain Traceability	5
3	CO2 Emissions, Food Miles & Route Planning	1
4	Recycling - Cradle to Cradle	4
5	Sustainability of Quality	5
6	Seasonality	5
7	Service, Delivery and Contract Management	6
8	Community Benefits Commitment	4

4. Report on Offers Received

Offers were received by 6 bidders, a summary of the offers received is provided in Appendix 1.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the offers received was completed. Despite extensive stakeholder engagement, only one supplier, a Small/Medium Enterprise (SME) from East Lothian offered for Lot 2 (Organic Products). As a result, there are a number of councils which have received no offer for this lot, and this is due to factors such as lack of product availability and product pricing.

Appendix 2 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 arrangement is awarded to 6 suppliers across 2 lots as outlined in Appendix 2.

All of the six recommended service providers are SME's. Appendix 1 outlines the location of the service providers, with all six being based in Scotland, supporting the Scottish economy.

As shown in Appendix 2, Scotland Excel did not receive any bids for the following 4 council areas: Argyll & Bute Council, Orkney Islands Council, Shetland Islands Council and Comhairle nan Eilean Siar. This is disappointing given that Scotland Excel conducted full engagement with organisations such as the Soil Association and Scotland Food and Drink to encourage participation from local suppliers.

6. Benefits

Savings

On the basis of limited spend information provided by councils, savings have been forecast at 5% 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.

Price Stability

Price Stability was not scored for this tender due to uncertainty from Brexit, however a price stability clause was inserted to cover any implications of this. Also, as understood through market research, price is regulated due to seasonality issues. All suppliers have offered 6 month fixed pricing, with only one offering 12 months fixed pricing.

Sustainable Procurement Benefits

Within the technical section of the tender, Scotland Excel included a number of sustainability related method statements including the following:

- Carbon dioxide (CO₂) emissions, food miles & route planning
- Recycling cradle to cradle
- Sustainable quality of produce

The carbon dioxide CO₂ emissions, food miles & route planning method statement focused on how the tenderer efficiently delivered produce to multiple locations whilst reducing the output of CO₂ and decrease food miles, to which all suppliers said they plan out the shortest and most efficient route for their drivers to take. The recycling cradle to cradle method statement focused on the reduction of plastic packaging and the development of alternative solutions for boxes and containers throughout the supply chain. All suppliers provided input on their drive to improve packaging, with some re-using plastic packaging and crates for multiple deliveries in order to reduce waste. The final method statement focused on how the supplier can guarantee the quality of the products being delivered out of season. Suppliers showed an understanding of the market place they currently operate in and all currently work with a network of European growers to ensure they meet demand in the UK when produce is out of season.

Community Benefits

Suppliers 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. All suppliers have committed to delivering these benefits.

Within the published tender documents, suppliers 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:

- Fundraising event for external charities / initiatives within the council
- Work placements to school students from councils
- Offer training sessions to wider community within the council, offering debt advice etc. (non-employees / school children)
- Sponsorship of sports team or community event within the council to the value of £500
- Recruit a modern (or other approved) apprentice from within the council
- Recruit one person from within the council area

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 Practise 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 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 6 tenderers, 4 suppliers currently pay the Real Living Wage to their staff, with one supplier currently going through the process of becoming an accredited Living Wage Employer, and one supplier agreed to make the same commitment within the first two years of the framework.

A summary of responses can be found in figure 3 below with more information available in Appendix 3.

Figure 3

Organisation's position in terms of payment of the Real Living Wage	Number of Suppliers
Accredited	3
Progress towards accreditation	1
Not Accredited but pay the Real Living Wage	1
Committed to gaining accreditation over the first 2 years of the Framework	1
Not paying Real Living Wage but committed to doing so within 2 years	0
Neither accredited nor paying the Real Living Wage	0
Total number of Suppliers	6

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be invited to a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefits. Suppliers 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 C arrangement in terms of both risk and spend. As such, Scotland Excel will conduct six monthly review meetings with suppliers and annual user group reviews, as appropriate, whilst monitoring management information and community benefits associated with this framework.

8. Summary

This is a first-generation framework for the Supply and Distribution of Fresh Fruit and Vegetables and aims to maximise collaboration, consolidate demand and deliver best value.

The Executive Sub Committee is requested to approve the recommendation to award this framework to the suppliers detailed within Appendix 1.

Appendix 1 – Summary of Offers Received

Name of Tenderers	SME Status	Location	Lots Tendered
George Anderson and Sons	Small	Glasgow	1 & 2
George Carruthers and Sons	Medium	Edinburgh & Lothians	1
McLays Limited	Medium	Glasgow	1
Swansons Fruit Company Limited	Small	Inverness	1
T.P.S. Fruit & Vegetables Limited	Medium	Edinburgh & Lothians	1
Total Produce Limited	Small	Aberdeen & North East	1

Appendix 2 – Scoring and Recommendations

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Aberdeen City Council	Total Produce Limited	91.13	Yes
	T.P.S. Fruit & Vegetables Limited	69.08	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Angus Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	89.58	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
City of Edinburgh Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	87.17	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Comhairle Nan Eilean Siar - Area A Harris	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Comhairle Nan Eilean Siar – Area C Uists	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Dumfries & Galloway Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	89.74	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
East Ayrshire Council	George Carruthers and Sons	95.14	Yes
	Total Produce Limited	89.81	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Aberdeenshire Council	Total Produce Limited	91.13	Yes
	T.P.S. Fruit & Vegetables Limited	71.67	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Argyll & Bute Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Clackmannanshire Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes
	McLays Limited	83.55	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Comhairle Nan Eilean Siar – Area B Barra	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Comhairle Nan Eilean Siar – Area D Lewis	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Dundee City Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
East Dunbartonshire Council	George Carruthers and Sons	95.14	Yes
	Total Produce Limited	86.56	Yes
	McLays Limited	86.47	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
East Lothian Council	George Anderson and Sons	93.63	Yes
	George Carruthers and Sons	91.36	Yes
	Total Produce Limited	89.09	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Falkirk Council	George Carruthers and Sons	95.14	Yes
	McLays Limited	92.25	Yes
	Total Produce Limited	85.39	Yes
	George Anderson and Sons	82.75	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Glasgow City Council	George Carruthers and Sons	95.14	Yes
	McLays Limited	87.67	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Inverclyde Council	George Carruthers and Sons	95.14	Yes
	Total Produce Limited	86.56	Yes
	McLays Limited	86.47	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Moray Council	Total Produce Limited	91.13	Yes
	T.P.S. Fruit & Vegetables Limited	64.32	Yes
	Swansons Fruit Company Limited	54.60	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
North Lanarkshire Council	George Carruthers and Sons	95.14	Yes
	McLays Limited	91.37	Yes
	George Anderson and Sons	86.10	Yes
	Total Produce Limited	85.76	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
East Renfrewshire Council	George Carruthers and Sons	95.14	Yes
	McLays Limited	90.69	Yes
	Total Produce Limited	76.95	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Fife Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Highland Council	Swansons Fruit Company Limited	89.39	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Midlothian Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
North Ayrshire Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Orkney Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Perth & Kinross Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Scottish Borders Council	George Anderson and Sons	93.63	Yes
	George Carruthers and Sons	91.69	Yes
	Total Produce Limited	86.34	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
South Ayrshire Council	George Carruthers and Sons	94.91	Yes
	Total Produce Limited	91.13	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Stirling Council	George Carruthers and Sons	94.50	Yes
	George Anderson and Sons	93.63	Yes
	Total Produce Limited	89.94	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
West Dunbartonshire Council	George Carruthers and Sons	95.14	Yes
	McLays Limited	87.66	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Renfrewshire Council	George Carruthers and Sons	95.14	Yes
	McLays Limited	87.66	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Shetland Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
South Lanarkshire Council	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
Tayside Contracts	George Carruthers and Sons	95.14	Yes
	George Anderson and Sons	89.58	Yes
	Total Produce Limited	86.56	Yes

Council	Supplier	Lot 1	Award to Lot 1: Yes/No
West Lothian Council	George Anderson and Sons	93.63	Yes
	Total Produce Limited	90.64	Yes
	George Carruthers and Sons	87.99	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Aberdeen City Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Angus Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
City of Edinburgh Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Comhairle Nan Eilean Siar - Area A Harris	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Comhairle Nan Eilean Siar – Area C Uists	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Dumfries & Galloway Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
East Ayrshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
East Lothian Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Falkirk Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Glasgow City Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Aberdeenshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Argyll & Bute Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Clackmannanshire Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Comhairle Nan Eilean Siar – Area B Barra	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Comhairle Nan Eilean Siar – Area D Lewis	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Dundee City Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
East Dunbartonshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
East Renfrewshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Fife Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Highland Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Inverclyde Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Moray Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
North Lanarkshire Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Perth & Kinross Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Scottish Borders Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
South Ayrshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Stirling Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
West Dunbartonshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Midlothian Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
North Ayrshire Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Orkney Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Renfrewshire Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Shetland Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
South Lanarkshire Council	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
Tayside Contracts	George Anderson and Sons	93.63	Yes

Council	Supplier	Lot 2	Award to Lot 2: Yes/No
West Lothian Council	George Anderson and Sons	93.63	Yes

Appendix 3 – 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 Scottish Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
George Anderson and Sons	Yes					
George Carruthers & Sons Limited	Yes					
McLays Limited	Yes					
Swansons Fruit Company Limited					Yes	
Total Produce Limited				Yes		
T.P.S. Fruit & Vegetables Limited		Yes				