

Scotland Excel

To: Executive Sub Committee

On: 28 February 2020

**Report
by
Director Scotland Excel**

Tender: Supply and Delivery of Electrical Materials

Schedule: 0919

Period: 1 April 2020 to 31 March 2022 with an option to extend for up to 24 months

1. Introduction and Background

This recommendation is for the award of a fourth-generation renewal framework for the Supply and Delivery of Electrical Materials. The existing agreement expires on 31 March 2020.

This framework will provide councils and other participating bodies with a mechanism to procure a range of electrical products including but not limited to cables, wiring accessories, circuit protection, heating, ventilation, safety detectors lamps and accessories. Users of the framework are likely to be council departments such as stores, housing and property services.

This report summarises the outcome of the procurement process for the national framework agreement, which incorporates multi-offer lots to provide members with choice and flexibility for a range of manufacturer brands. As well as delivering savings, rebates and sustainable procurement initiatives this renewal will also support recent legislative updates.

2. Scope, Participation and Spend

As part of the strategy development, and through consultation, the User Intelligence Group (UIG) approved the inclusion of seven lots, summarised in Table 1. This covers the scope of member requirements for the Supply and Delivery of Electrical Materials.

Table 1: Lotting Structure and Estimated Spend

Lot Number	Description	Estimated %Spend Through Lot
1	Cable and Cable Management	15%
2	Wiring Accessories and Circuit Protection	15%
3	Heating and Water Heating	5%
4	Ventilation	10%
5	Safety Detectors and Thermostats	30%
6	Lamps	5%
7	Light Fittings and Accessories	20%

The lotting structure was designed to be representative of the marketplace and member purchasing requirements as well as maximising opportunities for Small to Medium Sized Enterprises (SMEs) to bid.

As detailed in Appendix 1, 31 councils and Tayside Contracts have confirmed their intention to participate in the framework, with Stirling council confirming they have their own arrangements in place. All 32 councils are included in the contract notice for the framework. In addition, NHS and Scottish Prison Service have also confirmed an intention to participate in the framework.

Taking into consideration forecast annual spend for participating members, with contingencies, the total projected contract value is £80 million. This includes the additional budget allocated for replacement programmes for fire and smoke detectors and sustainable heating systems.

3. Procurement Process

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

A Prior Information Notice (PIN) was published on 1 August 2019 where suppliers were invited to meet with Scotland Excel to inform the strategy.

This framework was advertised in the Official Journal of the European Union (OJEU) and the Public Contracts Scotland (PCS) portal on the 27 November 2019. This tender process was conducted using the Public Contract Scotland Tenders (PCS-T) system.

The UIG agreed that an open tender process should be followed to establish the renewal to ensure maximum competition and the inclusion of all potential suppliers to service the framework. All tenderers were evaluated against selection criteria

using the European Single Procurement Document (ESPD). The award criteria included technical and commercial sections that were evaluated against the following weightings for all lots:

Technical: 20%
Commercial: 80%

Within the technical section, tenderers were required to evidence their knowledge and experience by responding to four method statements and were also assessed in relation to their community benefits commitments as presented in Table 2.

Table 2: Technical Section Weighting

Question	Description	Weighting
1	Operational Services	4
2	Sustainability	4
3	Management of Non-Core Spend/Contract Management	5
4	Fair Work Practices	3
5	Community Benefits Commitment	4
Total Score		20

Within the commercial section, tenderer's commercial offers were assessed on a lot by lot basis. Lot 1-5 contained a multiple offer structure to facilitate the submission of offers from different manufacturer brands. Council annual retrospective rebates were also scored. Tenderers were invited to offer a range of unscored discounts including non-core items, collection, single source and delivery to central stores.

4. Report on Offers Received

Offers were received from 13 tenderers; however, two tenderers rejected the terms and conditions and withdrew their offer. 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 tenderer in each lot.

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 is awarded to 11 suppliers across seven lots, as outlined in Appendix 3.

Out of 11 recommended suppliers four are classed as SMEs and seven are Scottish suppliers.

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise for each member, the results are contained in Appendix 1. The projected average savings across members equates to c.2.5% an annual total saving of £481k, based on historic spend patterns. This is in addition to the current indexation position which is 1.9% below the market.

A number of discounts have been included in this framework, ranging from 1% to 10% across multiple lots by eight tenderers who are recommended for award. Six tenderers offered an annual retrospective rebate for councils ranging from 1% to 2.5%.

Price Stability

The framework applies fixed pricing periods of six months for all lots (1-7) excluding all items under 'cable' product grouping within lot 1. A fixed pricing period of three months will be applied for all items under the 'cable' product grouping due to volatility of items in this lot.

All requests for price increases 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 tenderers in relation to how their organisation promotes recycle, reuse and innovative measures to minimise the impact of their supply chain on the environment. Recommended suppliers are compliant with UK Waste Electrical and Electronic Equipment (WEEE) Regulations and the Ecodesign directives for sustainable heating. In addition, a range of other sustainable initiatives were outlined in the responses including;

- Adoption of sustainable and innovative products, using free disposal facilities for end-of-life lamps, tubes and batteries for customers in the local community within the company depots

- Using different types of the recyclable and biodegradable packaging e.g. paper and cardboard, corn starch, bubble wrap, biodegradable plastic
- Using modern and efficient fleet e.g. hybrid and full electric vehicles to reduce the carbon footprint

Community Benefits

Scotland Excel is committed to maximising community benefits delivery. All tenderers were asked to confirm whether they were willing to comply with our community benefits approach for the lifetime of the framework. This approach is designed to deliver local community benefits based on individual member spend thresholds and all 11 recommended suppliers have confirmed their acceptance. Through this revised approach, suppliers are encouraged to work collaboratively and innovatively with members to deliver local community benefits.

As part of the contract management, ongoing delivery of community benefits will be reported by suppliers to Scotland Excel on a six-monthly basis.

Fair Work Practices including the real Living Wage

Scotland Excel and the Scottish councils are committed to the delivery of high-quality public services and recognise that this is critically dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development.

Tenderers were assessed on their approach to fair work practices and were also asked to confirm their position on the payment of the real Living Wage. As detailed in Appendix 4, six suppliers pay the real living wage to all employees but are not currently accredited and five are neither accredited, nor paying the real Living Wage. Of the five suppliers that are not accredited and do not pay the real Living Wage to all employees, all have confirmed they pay circa 65% - 70% of employees the real living wage or more.

Scotland Excel will monitor status with all awarded suppliers during the lifetime of the framework and engage with the Living Wage Foundation regarding this particular market.

Other

This framework will support members applying the update to the tolerable standard under the Housing (Scotland) Act 1987 (Tolerable Standard) (Extension of Criterion) Order 2019 by ensuring all relevant alarms are available and compliant under lot 5. For lot 3 all relevant products are in alignment with the European Ecodesign Directive requiring items to be as efficient and environmentally friendly as possible.

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 reporting. Both suppliers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework. Commitments given as part of this tender submission will be closely monitored and reported by Scotland Excel.

In accordance with Scotland Excel's established contract and supplier management segmentation tool, this framework is classified as category D. As such, it will require annual supplier and user group reviews as appropriate.

8. Summary

This fourth-generation framework for the Supply and Delivery of Electrical Materials maximises collaboration and delivers best value in terms of price, quality and service.

A range of benefits have been delivered in relation to savings, price stability, rebates, discounts and sustainable procurement. Positive efficiencies have been achieved through close working relationships with an already established UIG and technical group to rationalise the product core lists and provide choice and flexibility through multi-offer lots. The framework will support members applying the update to the tolerable standard under the Housing (Scotland) Act 1987 and ensures compliance with the European Ecodesign Directive.

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

Appendix 1 – Participation and Spend 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	£500,000	Validated by Council	1.9%	1.2%	£5,985	Benchmarked current framework
Aberdeenshire Council	Yes	01 April 2020	£129,245	Scotland Excel Management Information	1.9%	3.0%	£3,887	Benchmarked current framework
Angus Council	Yes	01 April 2020	£2,790	Scotland Excel Management Information	1.9%	0.4%	£0	Benchmarked current framework
Argyll & Bute Council	Yes	01 April 2020	£12,367	Validated by Council	1.9%	0.4%	£0	Benchmarked current framework
City of Edinburgh Council	Yes	01 April 2020	£27,324	Scotland Excel Management Information	1.9%	1.9%	£518	Benchmarked current framework
Clackmannanshire Council	Yes	01 April 2020	£200,000	Validated by Council	1.9%	14.2%	£28,342	Benchmarked current framework
Comhairle nan Eilean Siar	Yes	01 April 2020	£38,132	Validated by Council	1.9%	1.3%	£478	Benchmarked current framework
Dumfries & Galloway Council	Yes	01 April 2020	£19,096	Scotland Excel Management Information	1.9%	1.1%	£212	Benchmarked current framework
Dundee City Council	Yes	01 April 2020	£919,534	Validated by Council	1.9%	1.8%	£16,136	Benchmarked current framework
East Ayrshire Council	Yes	01 April 2020	£115,724	Scotland Excel Management Information	1.9%	4.7%	£5,420	Benchmarked current framework
East Dunbartonshire Council	Yes	01 April 2020	£0	Validated by Council	1.9%	2.5%	£0	Average saving
East Lothian Council	Yes	01 April 2020	£614,996	Validated by Council	1.9%	2.5%	£15,670	Benchmarked current framework
East Renfrewshire Council	Yes	01 April 2020	£62,744	Scotland Excel Management Information	1.9%	14.6%	£9,190	Benchmarked current framework
Falkirk Council	Yes	01 April 2020	£650,000	Validated by Council	1.9%	0.0%	£0	Benchmarked current framework
Fife Council	Yes	01 April 2020	£3,000,000	Validated by Council	1.9%	1.5%	£44,100	Benchmarked current framework
Glasgow City Council	Yes	01 October 2021	£110,000	Validated by Council	1.9%	2.5%	£2,748	Average saving
Highland Council	Yes	01 April 2021	£250,000	Validated by Council	1.9%	1.7%	£4,134	Benchmarked current framework
Inverclyde Council	Yes	01 April 2020	£51,930	Validated by Council	1.9%	0.4%	£186	Benchmarked current framework
Midlothian Council	Yes	01 April 2020	£435,597	Validated by Council	1.9%	3.8%	£16,382	Benchmarked current framework
Moray Council	Yes	01 April 2020	£250,000	Validated by Council	1.9%	0.0%	£0	Benchmarked current framework
North Ayrshire Council	Yes	01 April 2020	£118,000	Validated by Council	1.9%	4.8%	£5,703	Benchmarked current framework
North Lanarkshire Council	Yes	01 April 2020	£5,709	Scotland Excel Management Information	1.9%	0.4%	£0	Benchmarked current framework
Orkney Islands Council	Yes	01 April 2020	£14,107	Scotland Excel Management Information	1.9%	0.3%	£0	Benchmarked current framework
Perth & Kinross Council	Yes	01 April 2020	£269,022	Scotland Excel Management Information	1.9%	0.4%	£1,073	Benchmarked current framework
Renfrewshire Council	Yes	01 April 2020	£1,000,000	Validated by Council	1.9%	2.1%	£21,496	Benchmarked current framework
Scottish Borders Council	Yes	01 April 2020	£75,000	Validated by Council	1.9%	0.1%	£0	Benchmarked current framework
Shetland Islands Council	Yes	01 April 2020	£227,004	Validated by Council	1.9%	0.6%	£1,382	Benchmarked current framework
South Ayrshire Council	Yes	01 April 2020	£450,000	Validated by Council	1.9%	0.5%	£2,275	Benchmarked current framework
South Lanarkshire Council	Yes	01 April 2020	£3,000,000	Validated by Council	1.9%	2.0%	£59,590	Benchmarked current framework
Stirling Council	No	N/A	£0	N/A	1.9%	2.5%	£0	Average saving
West Dunbartonshire Council	Yes	01 April 2020	£400,000	Validated by Council	1.9%	5.4%	£21,760	Benchmarked current framework
West Lothian Council	Yes	01 April 2020	£396,689	Scotland Excel Management Information	1.9%	15.6%	£61,719	Benchmarked current framework
Tayside Contracts	Yes	01 April 2020	£7,609	Scotland Excel Management Information	1.9%	0.0%	£0	Benchmarked current framework
Totals			£13,352,620		1.9%	2.5%	£328,386	
Associate Members	Yes	01 April 2020	£5,909,600	Validated by Associate Members	1.9%	2.6%	£152,878	Benchmarked current framework
Totals			£19,262,220			2.5%	£481,263	

Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lots Tendered
The British Electrical & Manufacturing Company Limited	Medium	Glasgow	1,2,3,4,5,6,7
City Electrical Factors Limited	Large	Kenilworth	1,2,3,4,5,6,7
Cleveland Cable Company Limited	Large	Glasgow	1
Edmundson Electrical Limited	Large	Kirkintilloch	1,2,3,4,5,6,7
Grafton Merchanting GB Limited	Large	Birmingham	1,2,3,4,5,6
Holland House Electrical Company, Limited	Medium	Glasgow	1,2,3,4,5,6,7
Rexel UK Limited	Large	Birmingham	1,2,3,4,5,6,7
R. & M. Distribution Limited	Small	Kirkcaldy	1,2,3,4,5,6,7
SM Electrical Supplies Ltd.	Small	Kirkcaldy	1,2,3,4,5,6,7
Stearn Electric Company Limited	Large	Glasgow	3,4,5,6,7
Yesss (A) Electrical Ltd	Large	Normanton	1,2,3,4,5,6,7

Appendix 3 – Scoring and Recommendations

Lot 1 (Multiple Offer) - Cable and Cable Management		
Brand - BASEC		
Tenderer	Score	Awarded (Yes/No)
Rexel UK Limited	95.35	Yes
Brand - Doncaster		
Tenderer	Score	Awarded (Yes/No)
Yesss (A) Electrical Ltd	98.45	Yes
Brand - Jaylow		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited (Offer 1)	97.25	Yes
The British Electrical & Manufacturing Company Limited (Offer 2)	96.76	Yes
Grafton Merchating GB Limited	86.21	Yes
Holland House Electrical Company, Limited	81.01	Yes
R. & M. Distribution Limited	80.44	Yes
Brand - Own Brand		
Tenderer	Score	Awarded (Yes/No)
City Electrical Factors Limited	94.85	Yes
Brand - Pitacs		
Tenderer	Score	Awarded (Yes/No)
SM Electrical Supplies Ltd.	93.00	Yes
Brand - Prysmian		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
Holland House Electrical Company, Limited	69.87	No
Brand - RR Kable		
Tenderer	Score	Awarded (Yes/No)
Cleveland Cable Company Limited	91.00	Yes

Lot 2 (Multiple Offer) - Wiring Accessories and Circuit Protection		
Brand - Click Scolmore		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Holland House Electrical Company, Limited	84.05	Yes
SM Electrical Supplies Ltd.	74.71	Yes
City Electrical Factors Limited	65.17	Yes
Rexel UK Limited	62.11	Yes
Grafton Merchating GB Limited	53.32	Yes
Brand - Contactum		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
Brand - Crabtree		
Tenderer	Score	Awarded (Yes/No)
Holland House Electrical Company, Limited	98.10	Yes
Brand - Energiser		
Tenderer	Score	Awarded (Yes/No)
Holland House Electrical Company, Limited	98.10	Yes
Brand - Newlec		
Tenderer	Score	Awarded (Yes/No)
Rexel UK Limited (Offer 1)	95.35	Yes
Rexel UK Limited (Offer 2)	63.64	No
Brand - Niglon		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Brand - Schneider		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
Yesss (A) Electrical Ltd	69.93	Yes
R. & M. Distribution Limited	59.23	Yes
Brand - Thron		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
Brand - Vimark		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Brand - Wireplast		
Tenderer	Score	Awarded (Yes/No)
Yesss (A) Electrical Ltd	98.45	Yes

Lot 3 (Multiple Offer) - Heating and Water Heating		
Brand - Creda		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited (Offer 3)	97.25	Yes
The British Electrical & Manufacturing Company Limited (Offer 2)	94.04	Yes
Edmundson Electrical Limited	91.35	Yes
Holland House Electrical Company, Limited	60.68	Yes
Grafton Merchating GB Limited	55.50	Yes
Brand - Dimplex		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Edmundson Electrical Limited	85.96	Yes
Rexel UK Limited	83.76	Yes
Holland House Electrical Company, Limited	82.69	Yes
Stearn Electric Company Limited	79.92	Yes
Brand - Elnur		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
Holland House Electrical Company, Limited	80.50	Yes
SM Electrical Supplies Ltd.	78.23	Yes
Brand - Heatstore		
Tenderer	Score	Awarded (Yes/No)
City Electrical Factors Limited	94.85	Yes
Brand - Hyco		
Tenderer	Score	Awarded (Yes/No)
R. & M. Distribution Limited	86.85	Yes
Brand - Newlec		
Tenderer	Score	Awarded (Yes/No)
Rexel UK Limited	95.35	Yes
Brand - Steibel Eltron		
Tenderer	Score	Awarded (Yes/No)
Yesss (A) Electrical Ltd	98.45	Yes

Lot 4 (Multiple Offer) - Ventilation		
Brand - Addvent		
Tenderer	Score	Awarded (Yes/No)
City Electrical Factors Limited	94.85	Yes
Brand - Domus		
Tenderer	Score	Awarded (Yes/No)
Yesss (A) Electrical Ltd	98.45	Yes
Brand - Manrose Primeline		
Tenderer	Score	Awarded (Yes/No)
R. & M. Distribution Limited	86.85	Yes
Brand - Monsoon		
Tenderer	Score	Awarded (Yes/No)
SM Electrical Supplies Ltd.	93.00	Yes
Brand - National Ventilation		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Holland House Electrical Company, Limited	79.09	Yes
Brand - Ventaxia		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
Rexel UK Limited	87.97	Yes
Grafton Merchating GB Limited	81.96	Yes
Stearn Electric Company Limited	71.55	Yes
Brand - Xpeliar		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Edmundson Electrical Limited	92.52	Yes
Holland House Electrical Company, Limited	83.06	Yes
Brand - Zehnder		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes

Lot 6 (Single Offer) - Lamps		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
The British Electrical & Manufacturing Company Limited	91.98	Yes
Holland House Electrical Company, Limited	69.40	Yes
SM Electrical Supplies Ltd.	66.54	Yes
Grafton Merchating GB Limited	62.04	Yes
City Electrical Factors Limited	60.93	Yes
R. & M. Distribution Limited	59.09	Yes
Yesss (A) Electrical Ltd	56.25	Yes
Stearn Electric Company Limited	55.83	Yes
Rexel UK Limited	54.17	Yes

Lot 5 (Multiple Offer) - Safety Detectors and Thermostats		
Brand - Aico		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited (Offer 2)	99.25	Yes
Edmundson Electrical Limited (Offer 1)	90.89	Yes
Yesss (A) Electrical Ltd	84.04	Yes
The British Electrical & Manufacturing Company Limited	83.52	Yes
Rexel UK Limited	82.93	Yes
Holland House Electrical Company, Limited	80.73	Yes
SM Electrical Supplies Ltd.	74.24	Yes
Grafton Merchating GB Limited	73.64	Yes
City Electrical Factors Limited	72.90	Yes
R. & M. Distribution Limited	63.00	Yes
Brand - Fireangel		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes
Holland House Electrical Company, Limited	93.34	Yes
Stearn Electric Company Limited	80.17	Yes
Brand - Hispec		
Tenderer	Score	Awarded (Yes/No)
The British Electrical & Manufacturing Company Limited	97.25	Yes

Lot 7 (Single Offer) - Light Fitting and Accessories		
Tenderer	Score	Awarded (Yes/No)
Edmundson Electrical Limited	99.25	Yes
The British Electrical & Manufacturing Company Limited	93.77	Yes
Rexel UK Limited	72.05	Yes
Holland House Electrical Company, Limited	66.88	Yes
SM Electrical Supplies Ltd.	55.60	Yes
Yesss (A) Electrical Ltd	53.40	Yes
R. & M. Distribution Limited	51.78	Yes
Stearn Electric Company Limited	46.17	Yes
City Electrical Factors Limited	44.52	Yes

Appendix 4 – List of Suppliers with Real Living Wage Status at Point of Tender

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
The British Electrical & Manufacturing Company Limited				YES		
City Electrical Factors Limited				YES		
Cleveland Cable Company Limited				YES		
Edmundson Electrical Limited						YES
Grafton Merchanting GB Limited						YES
Holland House Electrical Company, Limited						YES
Rexel UK Limited						YES
R. & M. Distribution Limited				YES		
SM Electrical Supplies Ltd.				YES		
Stearn Electric Company Limited				YES		
Yesss (A) Electrical Ltd						YES