



Scotland Excel

To: Executive Sub Committee

On: 26 October 2018

**Report
by
Director Scotland Excel**

Tender: Supply & Delivery of Road Signage Materials

Schedule: 14/18

Period: 01 December 2018 to 30 November 2021, with the option to extend for up to an additional one-year period until 30 November 2022

1. Introduction and Background

This recommendation is for the renewal of a framework arrangement for the Supply & Delivery of Signage Materials, which will operate from 01 December 2018 until 30 November 2021, with the option to extend for up to an additional one-year period until 30 November 2022.

This renewal will be the third generation of the framework, and it will consolidate the current lot structure so that it provides a streamlined mechanism for local authorities to procure materials which will support their road maintenance programmes. As a result, the opportunity was tendered as the Supply & Delivery of Road Signage Materials.

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

This framework has been developed by the Operational Supplies and Services (OSS) Team with a fast-tracked approach involving key stakeholders. This has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. The OSS team continue to support local authorities by reducing resource pressure, whilst consolidating demand and providing new collaborative procurement opportunities.

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 existing UIG (User Intelligence Group) for this framework and the commercial UIG steering group (CUIG-SG) endorsed the inclusion of 4 lots as summarised in Figure 1.

The lot structure will provide a mechanism for local authorities to procure a range of road signage materials which adhere to the Traffic Signs Regulations and General Directions (TSRGD) 2016, and it includes, but is not limited to, permanent road signage, temporary road signage, road sign posts, electrical road signage, and associated products.

It is envisaged that the framework will be utilised by local authority roads departments and will meet the maintenance requirements of their road signage programmes. Local authorities purchase these products in a variety of different ways, however most are delivered to depots and installed through their own roads teams.

The current framework has an annual value of approximately £1.2 million across 31 local authorities who indicated their participation, as detailed in Appendix 1. Orkney Islands Council stated that they would not be participating in any new arrangement as they have their own sign shop.

Figure 1: Lot Structure

Lot Number	Lot Name	Framework Spend
1	Permanent Road Signage & Associated Products	40%
2	Temporary Road Signage & Associated Products	8%
3	Road Sign Posts & Associated Products	37%
4	Electrical Road Signage & Associated Products	15%

3. Procurement Process

A Prior Information Notice (PIN) was published on 16 June 2018 with 42 companies expressing an interest in the opportunity.

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 08 August 2018. 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). 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	85%
Technical	15%

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 price for all core products, as well as a price stability period and sole supply discount;

- In the Technical section, as outlined in Figure 2, scored method statements on community benefits, contract management & customer service, fair work practices, innovation & added value, and sustainability.

Figure 2: Scoring Breakdown

Section	Question	Maximum Score Available
Commercial 85%		
Technical 15%	Community Benefits	3
	Contract Management & Customer Service	5
	Fair Work Practices	2
	Innovation & Added Value	2
	Sustainability	3

4. Report on Offers Received

The tender document was accessed by 45 organisations, with 14 of these submitting an offer.

A summary of all offers received from tenderers, and their SME status is outlined in Appendix 2.

5. Recommendations

Based on the evaluation undertaken in line with the criteria and weightings set out above, it is recommended that a multiple supplier framework agreement is awarded to the 11 tenderers outlined in Appendix 3.

All recommended suppliers are SMEs, with 2 of these being classified as micro businesses. Appendix 2 outlines the location of tenderers who submitted an offer, with several of them being based in Scotland.

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

6. Benefits

Savings

The projected average saving across all local authorities is forecasted at 16%, which equates to an estimated saving of approximately £185k per annum, based on current spend forecasts, as outlined in Appendix 1. This projection was calculated by benchmarking the lowest offer received against the second lowest offer received.

Savings that can be achieved will depend on a local authority's purchasing patterns.

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. In addition to this, 7 of the recommended suppliers have offered additional fixed pricing periods ranging from 24-48 months.

After the initial 12 months or additional fixed pricing periods offered, 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 Living Wage, details of which can be found in Appendix 4. All recommended suppliers for this framework pay the Living Wage or above.

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 involving the collection and reuse of road signage materials and waste segregation techniques.

Suppliers 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, they provided details on how they manage stock levels efficiently and monitor transparency within their supply chains. Some of them advised that they regularly conduct assessments to ensure that their supply chains are adhering to fair work practices and conforming with environmental regulations.

Other Benefits

Scotland has a well-established history of creating supported businesses – some have been in existence for over 150 years, and there are currently 15 supported businesses in operation. The value of on-going employment, training, social interaction and mentoring offered to people with disabilities is central in enabling them to become more independent and active in the workplace and their communities.

A division of the Royal British Legion Industries Ltd (RBLI), which trades as Scotland's Bravest Manufacturing Company (SBMC), have been recommended for award on this framework. Set up in January 2018, this organisation is both a supported business and social enterprise aimed at providing employment opportunities to members of the Armed Forces community, particularly those experiencing a disability, and/or mental health condition. In addition to manufacturing a wide array of signage, they can also recycle wooden products and provide print & mail and fulfilment services

7. Contract Mobilisation and Management

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

conduct annual review meetings with suppliers, whilst monitoring management information and community benefits associated with this framework.

8. Summary

This framework for the Supply & Delivery of Road Signage Materials 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 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 Annual Saving (%)	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	01 December 2018	£32,702	Contract MI	8%	16%	£5,232	Benchmarked Lowest Offer vs 2nd Lowest Offer
Aberdeenshire Council	Yes	01 December 2018	£12,631	Contract MI	8%	16%	£2,021	Benchmarked Lowest Offer vs 2nd Lowest Offer
Angus Council	Yes	01 December 2018	£44,815	Contract MI	8%	16%	£7,170	Benchmarked Lowest Offer vs 2nd Lowest Offer
Argyll & Bute Council	Yes	01 December 2018	£20,128	Contract MI	8%	16%	£3,220	Benchmarked Lowest Offer vs 2nd Lowest Offer
City of Edinburgh Council	Yes	01 December 2018	£2,434	Contract MI	8%	16%	£389	Benchmarked Lowest Offer vs 2nd Lowest Offer
Clackmannanshire Council	Yes	01 December 2018	£10,463	Contract MI	8%	16%	£1,674	Benchmarked Lowest Offer vs 2nd Lowest Offer
Comhairle nan Eilean Siar	Yes	01 December 2018	£3,522	Contract MI	8%	16%	£564	Benchmarked Lowest Offer vs 2nd Lowest Offer
Dumfries & Galloway Council	Yes	01 December 2018	£40,440	Contract MI	8%	16%	£6,470	Benchmarked Lowest Offer vs 2nd Lowest Offer
Dundee City Council	Yes	01 December 2018	£0	Contract MI	8%	16%	£0	Benchmarked Lowest Offer vs 2nd Lowest Offer
East Ayrshire Council	Yes	01 December 2018	£56,137	Contract MI	8%	16%	£8,982	Benchmarked Lowest Offer vs 2nd Lowest Offer
East Dunbartonshire Council	Yes	01 December 2018	£13,898	Contract MI	8%	16%	£2,224	Benchmarked Lowest Offer vs 2nd Lowest Offer
East Lothian Council	Yes	01 December 2018	£0	Contract MI	8%	16%	£0	Benchmarked Lowest Offer vs 2nd Lowest Offer
East Renfrewshire Council	Yes	01 December 2018	£38,477	Contract MI	8%	16%	£6,156	Benchmarked Lowest Offer vs 2nd Lowest Offer
Falkirk Council	Yes	01 December 2018	£11,816	Contract MI	8%	16%	£1,890	Benchmarked Lowest Offer vs 2nd Lowest Offer
Fife Council	Yes	01 December 2018	£126,017	Contract MI	8%	16%	£20,163	Benchmarked Lowest Offer vs 2nd Lowest Offer
Glasgow City Council	Yes	01 December 2018	£19,397	Contract MI	8%	16%	£3,104	Benchmarked Lowest Offer vs 2nd Lowest Offer
Highland Council	Yes	01 December 2018	£69,182	Contract MI	8%	16%	£11,069	Benchmarked Lowest Offer vs 2nd Lowest Offer
Inverclyde Council	Yes	01 December 2018	£34,973	Contract MI	8%	16%	£5,596	Benchmarked Lowest Offer vs 2nd Lowest Offer
Midlothian Council	Yes	01 December 2018	£4,930	Contract MI	8%	16%	£789	Benchmarked Lowest Offer vs 2nd Lowest Offer
Moray Council	Yes	01 December 2018	£12,639	Contract MI	8%	16%	£2,022	Benchmarked Lowest Offer vs 2nd Lowest Offer
North Ayrshire Council	Yes	01 December 2018	£48,314	Contract MI	8%	16%	£7,730	Benchmarked Lowest Offer vs 2nd Lowest Offer
North Lanarkshire Council	Yes	01 December 2018	£13,277	Contract MI	8%	16%	£2,124	Benchmarked Lowest Offer vs 2nd Lowest Offer
Orkney Islands Council	No	01 December 2018	£0	Contract MI	8%	16%	£0	Benchmarked Lowest Offer vs 2nd Lowest Offer
Perth & Kinross Council	Yes	01 December 2018	£132,455	Contract MI	8%	16%	£21,193	Benchmarked Lowest Offer vs 2nd Lowest Offer
Renfrewshire Council	Yes	01 December 2018	£116,481	Contract MI	8%	16%	£18,637	Benchmarked Lowest Offer vs 2nd Lowest Offer
Scottish Borders Council	Yes	01 December 2018	£6,341	Contract MI	8%	16%	£1,015	Benchmarked Lowest Offer vs 2nd Lowest Offer
Shetland Islands Council	Yes	01 December 2018	£25,184	Contract MI	8%	16%	£4,029	Benchmarked Lowest Offer vs 2nd Lowest Offer
South Ayrshire Council	Yes	01 December 2018	£19	Contract MI	8%	16%	£3	Benchmarked Lowest Offer vs 2nd Lowest Offer
South Lanarkshire Council	Yes	01 December 2018	£63,907	Contract MI	8%	16%	£10,225	Benchmarked Lowest Offer vs 2nd Lowest Offer
Stirling Council	Yes	01 December 2018	£46,800	Contract MI	8%	16%	£7,488	Benchmarked Lowest Offer vs 2nd Lowest Offer
Tayside Contracts	Yes	01 December 2018	£0	Contract MI	8%	16%	£0	Benchmarked Lowest Offer vs 2nd Lowest Offer
West Dunbartonshire Council	Yes	01 December 2018	£10,910	Contract MI	8%	16%	£1,746	Benchmarked Lowest Offer vs 2nd Lowest Offer
West Lothian Council	Yes	01 December 2018	£127,646	Contract MI	8%	16%	£20,423	Benchmarked Lowest Offer vs 2nd Lowest Offer
Totals			£1,145,936	Contract MI	8%	16%	£183,350	Benchmarked Lowest Offer vs 2nd Lowest Offer
Associate Members	Yes	01 December 2018	£10,770	Contract MI	8%	16%	£1,723	Benchmarked Lowest Offer vs 2nd Lowest Offer
Totals			£1,156,706	Contract MI	8%	16%	£185,073	Benchmarked Lowest Offer vs 2nd Lowest Offer

Indexation – This column confirms the difference when the relevant market indices are compared with the relevant Contract indices derived from framework specific cost drivers.

Appendix 2 – Offers Received & SME Status

Tenderer	SME Status	Location	Lots Tendered
ANSCO Signs Ltd	Micro	Muir of Ord, Highland, Scotland	1, 2, 3
Bunzl UK Ltd T/A Bunzl Greenham	Large	London, UK	2
Coeval Ltd	Micro	Cumbernauld, North Lanarkshire, Scotland	4
Eurosigns (UK) Ltd	Small	Weston-super-Mare, Somerset, UK	1
Fabrikat (Nottingham) Ltd	Medium	Sutton-in-Ashfield, Nottinghamshire, UK	3
Limelight Signs Ltd	Small	Bacup, Lancashire, UK	1
Mallatite Ltd	Medium	Inchinnan, Renfrewshire, Scotland	1, 2, 3, 4
Marwood Electrical Company Ltd	Medium	Tonbridge, Kent, UK	1, 3
P. F. Cusack (Tools Supplies) Ltd	Medium	Glasgow, Scotland	1, 2, 3
Royal British Legion Industries Ltd T/A Scotland's Bravest Manufacturing Company	Medium	Bishopton, Renfrewshire, Scotland	1, 2, 3
Street Lighting Supplies & Co Ltd	Small	Grangemouth, Falkirk, Scotland	3
SWARCO Traffic Ltd	Medium	Richmond, North Yorkshire, UK	4
Tayside Contracts comprising Angus, Dundee City and Perth & Kinross Councils	Medium	Dundee, Scotland	1, 2
TWM Traffic Control Systems Ltd	Small	Winsford, Cheshire, UK	4

Appendix 3 - Scoring and Recommendations

Lot 1 – Permanent Road Signage & Associated Products		
Tenderer	Score	Award to Lot 1: Yes/No
ANSCO Signs Ltd	96.80	Yes
Royal British Legion Industries Ltd T/A Scotland's Bravest Manufacturing Company	90.79	Yes
Mallatite Ltd	69.70	Yes
Limelight Signs Ltd	63.63	Yes
Eurosigns (UK) Ltd	63.11	Yes
Marwood Electrical Company Ltd	59.56	Yes
P. F. Cusack (Tools Supplies) Ltd	53.92	No
Tayside Contracts comprising Angus, Dundee City and Perth & Kinross Councils	39.49	No

Lot 2 – Temporary Road Signage & Associated Products		
Tenderer	Score	Award to Lot 2: Yes/No
P. F. Cusack (Tools Supplies) Ltd	90.95	Yes
ANSCO Signs Ltd	90.04	Yes
Mallatite Ltd	86.79	Yes
Bunzl UK Ltd T/A Bunzl Greenham	54.38	No
Royal British Legion Industries Ltd T/A Scotland's Bravest Manufacturing Company	50.40	No
Tayside Contracts comprising Angus, Dundee City and Perth & Kinross Councils	46.28	No

Lot 3 – Road Sign Posts & Associated Products		
Tenderer	Score	Award to Lot 3: Yes/No
Mallatite Ltd	88.67	Yes
Royal British Legion Industries Ltd T/A Scotland's Bravest Manufacturing Company	66.12	Yes
ANSCO Signs Ltd	65.59	Yes
Street Lighting Supplies & Co Ltd	64.72	Yes
P. F. Cusack (Tools Supplies) Ltd	61.79	Yes
Marwood Electrical Company Ltd	57.41	Yes
Fabrikat (Nottingham) Ltd	33.25	No

Lot 4 – Electrical Road Signage & Associated Products		
Tenderer	Score	Award to Lot 4: Yes/No
SWARCO Traffic Ltd	92.50	Yes
TWM Traffic Control Systems Ltd	85.66	Yes
Coeval Ltd	77.61	Yes
Mallatite Ltd	74.40	Yes

Appendix 4 – List of Recommended Suppliers with Living Wage Status

Supplier	Accredited	Currently progressing through Living Wage accreditation process	Committed to gaining accreditation over the first 2 years of framework	Pay Living Wage to all employees (except, volunteers, apprentices and interns) but not accredited	Neither accredited nor paying Living Wage
ANSCO Signs Ltd		Yes			
Coeval Ltd				Yes	
Eurosigns (UK) Ltd			Yes		
Limelight Signs Ltd				Yes	
Mallatite Ltd				Yes	
Marwood Electrical Company Ltd				Yes	
P. F. Cusack (Tools Supplies) Ltd			Yes		
Royal British Legion Industries Ltd T/A Scotland's Bravest Manufacturing Company			Yes		
Street Lighting Supplies & Co Ltd	Yes				
SWARCO Traffic Ltd				Yes	
TWM Traffic Control Systems Ltd				Yes	