

Scotland Excel

To: Executive Sub-Committee

On: 18 March 2022

**Report by:
Chief Executive of Scotland Excel**

Tender: Pest Control Services and Associated Products

Schedule: 1221

Period: 1 February 2022 until 31 January 2025 with an option to extend for up to one further 12-month period until 31 January 2026

1. Introduction and Background

This recommendation is for the award of a renewal framework for Pest Control Services and Associated Products and supersedes the recommendations brought before members about this framework on 18 February 2022. The recommendations are contained in section 5 and Appendix 3 of this report.

As previously advised: The proposed framework was advertised for the period from 1 February 2022 to 31 January 2025. Subject to approval and completion of the standstill period, the framework is intended to commence on or around 1 April 2022.

The framework covers the removal of rats and mice, crawling insects, flying insects and the supply of pest control chemicals and accessories.

The report summarises the outcome of the procurement process for this national framework arrangement.

2. Scope, Participation and Spend

This framework was developed in conjunction with procurement and operational stakeholders from councils with the aim of supporting pest control services in indoor and outdoor council environments.

Following information from interested councils, an amended lotting structure for the renewal framework was agreed, as detailed in Table 1.

Table 1: Lotting Structure

Lot Number	Lot Name	Estimated % of Spend
Lot 1	Pest Control Services	75%
Lot 2	Pest Control Chemicals	25%

The lotting structure recognises the importance of councils being able to purchase pest control services and chemicals whilst allowing access for a range of suppliers to bid.

As detailed in Appendix 1, 29 councils have confirmed their intention to participate in this framework and all 32 councils were included in the advertised contract notice.

The framework was advertised at a total value of £1 million per annum, which equates to an estimated spend of £4 million over the maximum 4-year term of the framework. This advertised spend allows for increased participation from councils and associate members not currently utilising the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published in relation to this framework on 13 July 2021 which resulted in expressions of interest from 25 companies. A number of supplier engagement meetings were held to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from bidders including SME's.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 15 November 2021, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the legal guidelines and procedures currently in place.

As this tender was developed by the Operational Supplies and Services team, the commercial user intelligence group steering group (CUIG-SG) have endorsed a 'fast-tracked' approach to opportunities meaning a more flexible approach to stakeholder engagement was taken. As a matter of best practice and to ensure that the framework aligned with the councils' requirements, a programme of consultation was conducted to understand their current purchasing practices and future requirements that could be covered by this framework. This information was used to generate the specifications and selection/award criteria.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus pandemic. Balancing the current situation with the need to provide a route to market for councils to obtain pest control services and associated products, Scotland Excel has determined to proceed with the tender exercise to

establish the above framework Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and determined it was appropriate to undertake this renewal tender exercise and recommend the establishment of this framework.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation. All suppliers were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the stated award criteria of:

- Technical 20%
- Commercial 80%

Within the technical section, suppliers were required to evidence their knowledge and experience by responding to a series of technical areas which are detailed within table 2 below.

Table 2: Technical Section weighting

Description	Weighting
Fair Work Practices	2
Community Benefits	4
Sustainability, Stock Holding and Supply Chain	6
Customer Service, Service Delivery and Contract Management	8
Total score	20

Within the commercial section, bidders’ commercial scores were evaluated on a lot-by-lot basis in accordance with the published methodology.

The commercial section of the tender was worth 80 points.

4. Report on Offers Received

The tender document was downloaded by 19 organisations, with 11 tender responses received by the specified closing date and time. A summary of all offers received is provided in Appendix 2.

All respondents passed the first stage qualification/selection assessment. However, one bidder was non-compliant having failed to upload a pricing schedule and has been advised accordingly and one was withdrawn.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

5. Recommendations

A “standstill” procedure commenced on the basis of recommendations approved by the February Executive Sub Committee. Following enquiries raised by contractors, the standstill procedure expired without any awards being made. These recommendations replace those previously submitted and apply the published tender evaluation methodology to all contractors.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out above, it is recommended that a multi-supplier framework arrangement is awarded to 7 suppliers across two lots as outlined in Appendix 3.

The 7 recommended suppliers offer best value and represent a mix of small, medium and large companies.

The range of suppliers recommended for award provides coverage and competitive options for all participating councils as well as offering a degree of choice and capacity.

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise based on available historic spend information, the outcome of which is detailed in Appendix 1.

The projected average on cost is 10.5%. which equates to an estimated total on cost of approximately £26,000 per annum across all councils based on current forecast spend levels. Given the market movement forecast of 10% over the period of the current framework as demonstrated in figure 1, the impact through transition to the new framework is more tangibly estimated at an on cost of 0.5%, or c.£1,240 across all councils.

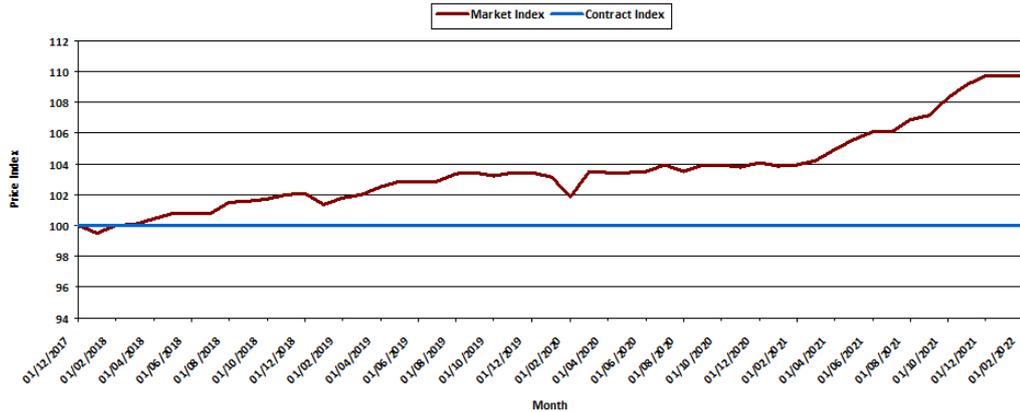
Figure 1 Indexation Report

Indexation Report - Pest Control Services



Schedule No: 1217
 Contract Title: Pest Control Services and Associated Products
 Contract Manager: June Baxter
 Start Date: 08/12/2017

Index	Type	Index Weighting (%)
Consumer Price Index	Standard	100



Notes:

The Contract Index tracks the general movement in contract prices and not the actual contract price paid. The Market Index tracks the general market movement against a weighted basket of relevant indices and not the current index levels. This report should be used as a guide only.

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Price Stability

All recommended suppliers have agreed with the special conditions of framework which states that suppliers will hold their prices firm for the first 12 months of the contract.

After the initial 12-month period, suppliers may submit a price increase on an annual basis. Any price increase will not exceed the rate of the Consumer Price Index (CPI) increase in the preceding 12 months and all requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

Sustainable Procurement Benefits

Within the technical section of the tender, Scotland Excel included method statements to cover sustainability, stock holding and supply chain management.

A range of sustainable measures were outlined by suppliers including the following examples: -

One supplier has set out on the journey to carbon neutrality with a ‘declaration of commitment’ made using the British standard PAS 2060 “Specification for

the demonstration of Carbon neutrality". In the period 1 January 21 – 30 June 21 they made a saving of 47 tonnes of CO2e by using electrical power sourced from wind, hydro and solar renewables.

Another supplier stated their ambition is for 100% of waste material to be reused, recycled or repurposed for energy by 2035. They are aiming to achieve this through some of the following initiatives:

- Continue to challenge suppliers to reduce and ultimately eliminate single-use, non-recyclable plastic.
- Pre-sort and recycle cardboard, paper, plastic, batteries, circuit boards, aerosols, vending cups and mobile phones.
- Recycle all old uniforms and PPE, with bins at each branch.
- In 2020 introduced several schemes to reduce paper usage, including Adobe Sign which has already accounted for over 4,000 documents (c.20,000 pieces of paper saved)

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for its members. Suppliers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. These are 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. Of the recommended suppliers, 6 have committed to delivering these benefits. Scotland Excel will continue to engage with all appointed suppliers to drive maximum adoption and delivery of community benefits where appropriate.

Within the published tender documents, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these are:

- employability events and training sessions to council apprentices
- employability workshop or events in schools, college or community groups
- sponsorship of local sports teams and community events
- donations of products and vouchers
- recruitment of apprentices
- recruitment of full-time employees

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 6 monthly basis

Fair Work Practices including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent 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, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 7 recommended suppliers 4 currently pay the Real Living Wage - one supplier is fully accredited; one supplier is currently progressing with the accreditation process; one supplier has committed to gaining accreditation within the first two years of the framework; and one pays the real living wage to all employees, but not accredited. Three suppliers do not currently pay the real living wage. One supplier is a Sole Trader with no employees. Scotland Excel will continue to monitor their status and work with them to encourage a review of their approach.

Appendix 4 shows a breakdown of responses received from Tenderers on their approach to fair work practices and their position on the payment of the Real Living Wage.

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Both 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, in terms of risk and spend as detailed in Appendix 5, this framework is classified as class D. As such, it will require Annual supplier contact, annual surveys, and an optional annual UIG. During the current market conditions Scotland Excel will continue to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of this essential service delivery for our members.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This framework for pest control and associated products maximises collaboration, promotes added value and delivers best value in terms of price, quality, and service.

The Executive Sub Committee is requested to approve the recommendations detailed in Section 5 (Recommendations) of the report, to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations) which supersedes the recommendations brought before members about this framework on 18 February 2022.

Appendix 1 – Participation, Spend and Savings Summary 1221 Pest Control Services and Associated Products

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 March 2022	£1,017	Supplier MI	10.0%	-10.5%	-£107	Benchmark against current contract
Aberdeenshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Angus Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Argyll & Bute Council	Yes	01 March 2022	£25,131	Member Confirmed	10.0%	-10.5%	-£2,636	Benchmark against current contract
City of Edinburgh Council	Yes	01 March 2022	£13,470	Supplier MI	10.0%	-10.5%	-£1,413	Benchmark against current contract
Clackmannanshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Comhairle nan Eilean Siar	No	N/A	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Dumfries & Galloway Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Dundee City Council	No	N/A	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
East Ayrshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
East Dunbartonshire Council	Yes	01 March 2022	£17,116	Member Confirmed	10.0%	-10.5%	-£1,795	Benchmark against current contract
East Lothian Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
East Renfrewshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Falkirk Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Fife Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Glasgow City Council	Yes	01 March 2022	£138,000	Member Confirmed	10.0%	-10.5%	-£14,476	Benchmark against current contract
Highland Council	Yes	01 March 2022	£1,740	Supplier MI	10.0%	-10.5%	-£183	Benchmark against current contract
Inverclyde Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Midlothian Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Moray Council	Yes	01 March 2022	£12,695	Supplier MI	10.0%	-10.5%	-£1,332	Benchmark against current contract
North Ayrshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
North Lanarkshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Orkney Islands Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Perth & Kinross Council	No	N/A	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Renfrewshire Council	Yes	01 March 2022	£20,160	Supplier MI	10.0%	-10.5%	-£2,115	Benchmark against current contract
Scottish Borders Council	Yes	01 March 2022	£10,744	Supplier MI	10.0%	-10.5%	-£1,127	Benchmark against current contract
Shetland Islands Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
South Ayrshire Council	Yes	01 March 2022	£2,912	Supplier MI	10.0%	-10.5%	-£295	Benchmark against current contract
South Lanarkshire Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Stirling Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
West Dunbartonshire Council	Yes	01 March 2022	£5,020	Supplier MI	10.0%	-10.5%	-£527	Benchmark against current contract
West Lothian Council	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Tagside Contracts	Yes	01 March 2022	£0	Supplier MI	10.0%	-10.5%	£0	Benchmark against current contract
Totals			£247,904			-10.5%	-£26,005	
Associate Members	Yes	01 March 2022	£1,128	Supplier MI	10.0%	-10.5%	-£118	Benchmark against current contract
Totals			£249,032			-10.5%	-£26,123	

Appendix 2 – List of Tenderers with SME Status

Tenderer's Name	SME Status	Location	Lots Tendered	Lots Awarded
D Anderson trading as Anderson Pest Prevention and Environmental Services	Micro	Moray	1	1
Caledonian Maintenance Services Limited	Medium	Glasgow	1	N/A
Contego Environmental Services Ltd	Medium	Newton Aycliffe	1	1
Excel Environmental Services Ltd.	Small	Paisley	1	N/A
Graham Environmental Services Limited	Small	Blairgowrie	1	N/A
Killgerm Chemicals Limited	Medium	Ossett	2	2
Horizon Environment Services Limited t/a Pestokill	Medium	Leigh	1	1
Rca Pest Services Ltd T/A Pest Solutions	Small	Hamilton	1	1
Rentokil Initial UK Ltd T/A Rentokil Pest Control UK	Large	Crawley	1	1
Terminix UK Ltd	Medium	Gloucester	1	1

Appendix 3 - Scoring and Recommendations

Lot 1 Pest Control Services		
Tenderer	Score	Awarded (Yes/No)
Contego Environmental Services Ltd	95.50	Yes
D Anderson trading as Anderson Pest Prevention and Environmental Services	79.90	Yes
Terminix UK Limited	79.84	Yes
Horizon Environment Services Limited T/A Pestokil	74.08	Yes
Rca Pest Services Ltd T/A Pest Solution	69.76	Yes
Rentokil Initial UK Ltd	62.51	Yes
Caledonian Maintenance Services Limited	55.56	No
Excel Environmental Services Ltd.	51.53	No
Graham Environmental Services Limited	N/C	No

Lot 2 Pest Control Chemicals		
Tenderer	Score	Awarded (Yes/No)
Killgerm Chemicals Limited	89.75	Yes

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	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
D Anderson trading as Anderson Pest Prevention and Environmental Services						Yes
Contego Environmental Services Ltd	Yes					
Killgerm Chemicals Limited						Yes
Horizon Environment Services Limited t/a Pestokill			Yes			
Rca Pest Services Ltd T/A Pest Solutions		Yes				
Rentokil Initial UK Ltd T/A Rentokil Pest Control UK						Yes
Terminix UK Limited				Yes		

Appendix 5 – Segmentation classifications

1221 Pest Control Services and Associated Products is classified as class D.

There are five segmentation classifications, and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with CSG.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.