

Scotland Excel

To: Executive Sub Committee

On: 25 January 2019

**Report
by
Director Scotland Excel**

Tender: Supply and Delivery of Light and Heavy Plant

Schedule: 08/18

Period: 1 March 2019 until 28 February 2023

1. Introduction and Background

The current framework for Heavy Plant expires on 28 February 2019. This recommendation is for the award of a new framework, which will operate from 1 March 2019 until 28 February 2023.

The framework covers the supply and delivery of an extensive range of commonly purchased light and heavy plant equipment including, but not limited to excavators, pedestrian operated plant, ride on rollers, towed equipment, static plant, forklifts/ telehandlers, trailers, loaders, dumpers, dozers, pavers, planers, mechanical chip spreaders, bond coat sprayers, mobile pot hole fillers and pressure washers.

The 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 User Intelligence Group (UIG) endorsed the increase in coverage of the framework to include Light Plant products which are not covered in the current framework for Heavy Plant which resulted in the inclusion of 16 lots as summarised in Table 1: Lotting Structure. This was a key change from the current framework which has 7 lots. The strategy was designed to align with council requirements, whilst also recognising the current structure of the market place, as well as presenting opportunities for Small and Medium Enterprise (SME) participation.

Table 1: Lotting Structure

Lot Number	Description	Estimated % of Total Spend
1	Excavators	20%
2 - 5	Pedestrian Operated Plant, Ride on Rollers, Towed Equipment and Static Plant	20%
6	Forklifts/Telehandlers	10%
7 - 16	Trailers, Loaders, Dumpers, Dozers, Pavers, Planers, Mechanical Chip Spreaders, Bond Coat Sprayers, Mobile Pot Hole Fillers and Pressure Washers	50%

As detailed in Appendix 1 - Participation and Spend Summary – Supply and Delivery of Light and Heavy Plant 08-18, it is anticipated that 31 Scottish councils plus Tayside Contracts will participate in this framework renewal although the framework is available for use by all councils.

The forecast annual spend for participating councils is circa £2.8m per annum. The contract was advertised with an estimated value of £40m over the 4-year period with a view that the value of £10m per annum allowed for anticipated growth due to the higher number of Lots and Products from the previous framework, from participating councils, as well as potential participation by other public sector bodies and Scotland Excel associate members. It should be noted however that no guarantee is given of any business or any level of business under the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on 15th June 2018, which resulted in expressions of interest from 63 organisations. Market engagement led to 15 supplier meetings, which helped inform the procurement strategy in areas such as ability to service, market trends, community benefits, sustainability and innovations as well as inclusion of potential products.

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 19th July 2018. A working group of technical representatives from councils was formed to review specifications and the technical criteria to adopt during the tender process.

To ensure maximum competition, the UIG agreed that an open tender process should be followed, and this was advertised in the Official Journal of the European Union and the Public Contracts Scotland portal (PCS) on 12th October 2018. The tender documentation was made available for immediate download, via the Public Contracts Scotland Tenders (PCS-T) system.

The procurement process followed a two-stage tendering procedure. At the first stage, tender European Single Procurement Document (ESPD) responses were assessed against financial capability, technical/professional capability and business probability requirements. Tenderers were required to pass this stage to be eligible for award.

At the second stage, offers were evaluated against the following overarching criteria and weightings, with the technical criteria breakdown shown in Table 2: Technical Scoring Breakdown, below.

Table 2: Technical Scoring Breakdown

<i>Area</i>	<i>Question</i>	<i>Maximum Score Available</i>
Commercial 70%		
Technical 30%	Fair Work Practices	4
	Community Benefits	5
	Spares	3
	Sustainability	4
	Operational Processes	7
	Support Services	7

Within the technical section, tenderers were required to evidence their knowledge and experience by responding to method statements which covered areas including; sustainability, operational processes and community benefits. In addition to these questions, tenderers were asked to provide added value suggestions to councils.

Within the commercial section, tenderers were invited to offer, on a lot by lot basis, a net delivered price for each of the specified products within the lot.

4. Report on Offers Received

The tender document was downloaded by 68 organisations, with 18 tender responses received. A summary of all offers received is provided in Appendix 2 - List of Tenderers with SME Status – Supply and Delivery of Light and Heavy Plant 08-18

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was carried out. All received bids were compliant however there were no offers for Lot 13 – Mechanical Chip Spreaders, Lot 14 – Bond Coat Sprayers and Lot 15 – Mobile Pot Hole Fillers. The products included in these lots have in the past been hired and were not included in the previous framework. The intention of including these products was to establish a purchase option should it be required in the future.

Appendix 3 - Scoring and Recommendations, sets out the scoring achieved by each tenderer.

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 16 suppliers across the 16 lots as outlined in Appendix 3 - Scoring and Recommendations.

The 16 recommended suppliers can meet operational requirements across all geographical areas and can provide a range of choice and capacity for council members. These 16 recommended suppliers also represent a mix of micro, small, medium and large organisations, with 15 of the recommended suppliers classified as SMEs and three of the recommended suppliers classified as micro.

6. Benefits

Savings

Scotland Excel reviewed the potential to conduct a benchmarking exercise for each council based on the available historic information. It is apparent that a significant proportion of plant items will be upgraded to new model designations to be compliant with the supplied technical specifications of the tender. Given this and that the proposed procurement strategy has seen an increase from 7 lots to 16 lots and with significantly more products, this makes evaluating direct comparisons with the current framework product offering challenging.

Indexation enables Scotland Excel to demonstrate to councils continued delivery of best value and to monitor framework prices against market performance. For the current framework, current contract pricing is presently circa 5% below the market however the indexation will be tracked for the new framework using the same indices. However, the new framework is considered as cost neutral.

With regards to the renewal framework, the indexation model will be reviewed to ensure appropriate indices are chosen to demonstrate the delivery of best value to councils. Scotland Excel will work with successful suppliers at mobilisation stage to determine what indices would be the best to monitor in relation to their products.

Price Stability

All suppliers have agreed to the 12-month fixed price period at the start of the framework. Provision thereafter is for price reviews once per 12-month period to accommodate market fluctuations. 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, the sustainability method statement assessed tenderers in relation to their corporate approach to sustainability and how their organisation promotes recycle, reuse and reduce initiatives to minimise the impact of the supply chain on the environment. A range of sustainable measures were outlined by suppliers including measures to reduce

waste, methods to reduce carbon footprint in aspects of operations and innovative and sustainable methods of recycling/ disposing of products and/ or packaging at end of life.

Tenderers were also asked to detail leasing options, buy-back options, disposal, second hand purchase options, warranty, spare parts and geographical ability to service the councils under the framework.

Community Benefits

Tenderers were also asked to detail and demonstrate their commitment to providing community benefits. A range of community benefits dependent on spend levels were offered by Tenderers including:

- Recruitment of additional staff, including modern apprentices
- Sponsorship of local sports teams
- Sponsorship of community events
- Work experience to school children and further education students
- Assistance with community projects
- Training sessions to council apprentices
- Workshop/school/college event
- Employability workshop or event
- Donation of product vouchers

Scotland Excel will support 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 six monthly basis.

Fair Work Practices including the Living Wage

Tenderers were asked a question on their approach to Fair Work Practices for staff employed in the delivery of this framework.

This included questioning Tenderers on how they avoid exploitative employment practices and improve the wider diversity of their staff. In addition, suppliers were also asked for details on what training they provided for their staff, as well as how they proactively engage with them to promote empowerment so that they can fulfil their potential. Most suppliers stated that they offered development programs for their staff, which included training and courses that looked to enhance their skills and advance their careers.

For information, Tenderers were also asked to confirm their approach to the Scottish Living Wage. Of the 16 recommended suppliers:

- 2 are accredited Scottish Living Wage Employers
- 1 is not an accredited Scottish Living Wage Employer, but has committed to gaining accreditation within two years; and
- 10 are not accredited Scottish Living Wage Employers, but pay the Living Wage to all employees (except volunteers, apprentices and interns)

Details are contained in Appendix 4 – List of Suppliers with Living Wage Status at Point of Tender

Scotland Excel will continue to monitor Fair Work Practices including the Scottish Living Wage within its contract and supplier management program. Scotland Excel will work with all awarded suppliers who do not yet pay the Scottish Living Wage to encourage them to achieve this.

7. Contract Mobilisation and Management

All suppliers and participating members will be issued with a mobilisation pack containing all required details to launch the framework. Each supplier will be invited to a mobilisation meeting, if required, to outline 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 program, this framework has been classified as a Category 2 arrangement in terms of both risk and spend requiring bi-annual supplier and user group reviews as appropriate.

8. Summary

This framework for the Supply and Delivery of Light and Heavy Plant aims to maximise collaboration, support councils' roads, construction, fleet, cemetery and grounds maintenance departments to deliver the various services they provide, promote added value and deliver best value. A range of benefits can be reported in relation to best value, price stability, sustainability and community benefits.

The Executive Sub Committee is requested to approve the recommendations contained in this report to award the suppliers and not to award those identified in Appendix 3 - Scoring and Recommendations on to the framework.

Appendix 1 – Participation and Spend Summary – Supply and Delivery of Light and Heavy Plant 08-18

*Indexation: this column indicates the comparison between relevant market indices and current contract pricing. For this contract, current contract pricing is presently 5% below the market for the expiring Framework.

COUNCIL NAME	PARTICIPATING IN NEW (08-18) FRAMEWORK	PARTICIPATING ENTRY DATE	VALIDATED ESTIMATED ANNUAL SPEND	SOURCE OF SPEND	INDEXATION	% ESTIMATED FORECAST SAVINGS	ESTIMATED ANNUAL SAVINGS (£)	BASIS OF SAVINGS CALCULATION
ABERDEEN CITY COUNCIL	Yes	1st March 2019	£100,000	Council Confirmed	5%	0%	To be determined at call-off	Benchmarking against current Framework would not provide a valid comparison to establish savings outlook due to the higher number of products on the new Framework and the technology advancement in the products.
ABERDEENSHIRE COUNCIL	Yes	1st March 2019	£241,000	Council Confirmed	5%	0%		
ANGUS COUNCIL	Yes	1st March 2019	£47,180	Historic MI Spend	5%	0%		
ARGYLL & BUTE COUNCIL	Yes	1st March 2019	£0	Historic MI Spend	5%	0%		
CITY OF EDINBURGH COUNCIL	Yes	1st March 2019	£0	Council Confirmed	5%	0%		
CLACKMANNANSHIRE COUNCIL	Yes	1st March 2019	£60,000	Council Confirmed	5%	0%		
COMHAIRLE NAN EILEAN SIAR	Yes	1st March 2019	£0	Historic MI Spend	5%	0%		
DUMFRIES & GALLOWAY COUNCIL	Yes	1st March 2019	£39,143	Historic MI Spend	5%	0%		
DUNDEE CITY COUNCIL	Yes	1st March 2019	£100,000	Council Confirmed	5%	0%		
EAST AYRSHIRE COUNCIL	Yes	1st March 2019	£0	Council Confirmed	5%	0%		
EAST DUNBARTONSHIRE COUNCIL	Yes	1st March 2019	£325,000	Council Confirmed	5%	0%		
EAST LOTHIAN COUNCIL	Yes	1st March 2019	£76,666	Council Confirmed	5%	0%		
EAST RENFREWSHIRE COUNCIL	Yes	1st March 2019	£32,110	Historic MI Spend	5%	0%		
FALKIRK COUNCIL	Yes	1st March 2019	£256,666	Council Confirmed	5%	0%		
FIFE COUNCIL	Yes	1st March 2019	£0	Council Confirmed	5%	0%		
GLASGOW CITY COUNCIL	Yes	1st March 2019	£5,677	Historic MI Spend	5%	0%		
HIGHLAND COUNCIL	Yes	1st March 2019	£100,000	Council Confirmed	5%	0%		
INVERCLYDE COUNCIL	Yes	1st March 2019	£61,725	Council Confirmed	5%	0%		
MIDLOTHIAN COUNCIL	Yes	1st March 2019	£80,000	Council Confirmed	5%	0%		
MORAY COUNCIL	Yes	1st March 2019	£110,000	Council Confirmed	5%	0%		
NORTH AYRSHIRE COUNCIL	Yes	1st March 2019	£100,000	Council Confirmed	5%	0%		
NORTH LANARKSHIRE COUNCIL	Yes	1st March 2019	£25,360	Historic MI Spend	5%	0%		
ORKNEY ISLANDS COUNCIL	Yes	1st March 2019	£16,275	Historic MI Spend	5%	0%		
PERTH & KINROSS COUNCIL	Yes	1st March 2019	£183,333	Council Confirmed	5%	0%		
RENFREWSHIRE COUNCIL	Yes	1st March 2019	£0	Historic MI Spend	5%	0%		
SCOTTISH BORDERS COUNCIL	Yes	1st March 2019	£175,000	Council Confirmed	5%	0%		
SHETLAND ISLANDS COUNCIL	Yes	1st March 2019	£97,033	Historic MI Spend	5%	0%		
SOUTH AYRSHIRE COUNCIL	Yes	1st March 2019	£30,597	Historic MI Spend	5%	0%		
SOUTH LANARKSHIRE COUNCIL	Yes	1st March 2019	£300,000	Council Confirmed	5%	0%		
STIRLING COUNCIL	Yes	1st March 2019	£62,873	Historic MI Spend	5%	0%		
WEST DUNBARTONSHIRE COUNCIL	No	n/a	£0	Council Confirmed	5%	0%		
WEST LOTHIAN COUNCIL	Yes	1st March 2019	£0	Historic MI Spend	5%	0%		
TAYSIDE CONTRACTS	Yes	1st March 2019	£139,925	Historic MI Spend	5%	0%		
GRAND TOTAL			£2,765,563			0%		

Appendix 2 – List of Tenderers with SME Status – Supply and Delivery of Light and Heavy Plant 08-18

Of the 18 suppliers who responded to the tender one was classified as a large company, 9 were medium size, 5 were small size and the remaining 3 companies were classified as micro.

SUPPLIER	SME STATUS	LOCATION	LOTS TENDERED
Agricar Limited	Medium	Forfar	6
Balgownie Limited	Medium	Aberdeen	1, 2, 3, 4, 5, 6, 7, 8, 16
Bomag (Great Britain) Limited	Medium	Larkfield, Kent	11, 12
Bryson Tractors Limited	Small	Lesmahagow	1, 6, 7, 8
Fast Clean (Scotland) Limited	Micro	Motherwell	16
Finning (UK) Ltd.	Large	Cannock, Staffordshire	1, 3, 6, 8, 9, 10, 11, 12
Fraser C Robb Limited	Small	Drymen	2, 4, 5, 7, 8
Groundwater Lift Trucks Limited	Medium	Stonehaven	6
Hamilton Bros. (Engineering) Limited	Medium	Lanark	1, 2, 3, 5, 7
Indespension Ltd	Medium	Horwich, Bolton	7
Lloyd Limited	Medium	Carlisle	1, 2, 3, 6, 7, 8
Powerwasher Services Ltd	Small	Laurencekirk	4, 5, 16
R & L Miller Limited	Small	Dalry	5, 7
Ravenhill Limited	Medium	Elgin	1, 2, 3, 5, 6, 7, 8, 16
Reid Hydraulic Services Limited	Micro	Arbroath	1, 2, 3, 6
Scot J C B Limited	Medium	Glasgow	1, 2, 3, 4, 5, 6, 8
Vantech Engineering Services Limited	Micro	East Kilbride	2
Young, Plant and Equipment Sales Limited	Small	Doune	1, 2, 3, 4, 5, 6, 7, 8, 9

Appendix 3 - Scoring and Recommendations

Lot 1: Excavators		
Tenderer	Score	Award: Yes/No
Hamilton Bros. (Engineering) Limited	91.10	Yes
Scot J C B Limited	87.47	Yes
Balgownie Limited	87.42	Yes
Bryson Tractors Limited	87.32	Yes
Young, Plant and Equipment Sales Limited	86.85	Yes
Ravenhill Limited	84.12	Yes
Lloyd Limited	80.65	Yes
Finning (UK) Ltd.	77.77	Yes
Reid Hydraulic Services Limited	74.74	Yes

Lot 2: Pedestrian Operated Plant		
Tenderer	Score	Award: Yes/No
Hamilton Bros. (Engineering) Limited	90.62	Yes
Scot J C B Limited	88.36	Yes
Young, Plant and Equipment Sales Limited	86.76	Yes
Balgownie Limited	86.39	Yes
Fraser C Robb Limited	85.49	Yes
Ravenhill Limited	75.95	Yes
Lloyd Limited	75.49	Yes
Vantech Engineering Services Limited	73.72	Yes
Reid Hydraulic Services Limited	61.07	Yes

Lot 3: Ride-On Rollers		
Tenderer	Score	Award: Yes/No
Scot J C B Limited	93.25	Yes
Hamilton Bros. (Engineering) Limited	87.66	Yes
Ravenhill Limited	86.52	Yes
Balgownie Limited	84.82	Yes
Young, Plant and Equipment Sales Limited	84.09	Yes
Finning (UK) Ltd.	81.98	Yes
Reid Hydraulic Services Limited	77.38	Yes
Lloyd Limited	70.01	Yes

Lot 4: Towed Equipment		
Tenderer	Score	Award: Yes/No
Balgownie Limited	90.75	Yes
Fraser C Robb Limited	84.30	Yes
Young, Plant and Equipment Sales Limited	83.38	Yes
Scot J C B Limited	82.00	Yes
Powerwasher Services Limited	72.73	Yes

Lot 5: Static Plant		
Tenderer	Score	Award: Yes/No
Young, Plant and Equipment Sales Limited	85.89	Yes
Ravenhill Limited	80.53	Yes
Balgownie Limited	76.37	Yes
Powerwasher Services Limited	74.52	Yes
Fraser C Robb Limited	71.42	Yes
Hamilton Bros. (Engineering) Limited	69.22	Yes
Scot J C B Limited	67.58	Yes
R & L Miller Limited	64.56	Yes

Lot 6: Forklifts & Telehandlers		
Tenderer	Score	Award: Yes/No
Scot J C B Limited	89.91	Yes
Groundwater Lift Trucks Limited	88.71	Yes
Bryson Tractors Limited	85.51	Yes
Balgownie Limited	83.12	Yes
Young, Plant and Equipment Sales Limited	81.47	Yes
Lloyd Limited	79.25	Yes
Reid Hydraulic Services Ltd	76.25	Yes
Finning (UK) Ltd.	74.98	Yes
Ravenhill Limited	65.92	Yes
Agricar Limited	54.89	No

Lot 7: Trailers		
Tenderer	Score	Award: Yes/No
Hamilton Bros. (Engineering) Limited	89.44	Yes
Fraser C Robb Limited	86.52	Yes
Bryson Tractors Limited	86.27	Yes
R & L Miller Limited	81.00	Yes
Balgownie Limited	80.82	Yes
Young, Plant and Equipment Sales Limited	77.02	Yes
Indespension Ltd	70.49	Yes
Ravenhill Limited	70.32	Yes
Lloyd Limited	67.47	Yes

Lot 8: Loaders		
Tenderer	Score	Award: Yes/No
Bryson Tractors Limited	91.14	Yes
Fraser C Robb Limited	90.57	Yes
Young, Plant and Equipment Sales Limited	88.61	Yes
Balgownie Limited	87.54	Yes
Finning (UK) Ltd.	85.79	Yes
Scot J C B Limited	84.82	Yes
Ravenhill Limited	83.79	Yes
Lloyd Limited	81.96	Yes

Lot 9: Dumpers		
Tenderer	Score	Award: Yes/No
Young, Plant and Equipment Sales Limited	88.61	Yes
Finning (UK) Ltd.	85.94	Yes

Lot 10: Dozers		
Tenderer	Score	Award: Yes/No
Finning (UK) Ltd.	93.50	Yes

Lot 11: Pavers		
Tenderer	Score	Award: Yes/No
Finning (UK) Ltd.	93.50	Yes
Bomag (Great Britain) Limited	81.79	Yes

Lot 12: Planars		
Tenderer	Score	Award: Yes/No
Finning (UK) Ltd.	93.50	Yes
Bomag (Great Britain) Limited	77.00	Yes

Lot 13: Mechanical Chip Spreaders		
Tenderer	Score	Award: Yes/No
No Bids		

Lot 14: Bond Coat Sprayers		
Tenderer	Score	Award: Yes/No
No Bids		

Lot 15: Mobile Pot Hole Fillers		
Tenderer	Score	Award: Yes/No
No Bids		

Lot 16: Pressure Washers		
Tenderer	Score	Award: Yes/No
Powerwasher Services Limited	84.42	Yes
Balgownie Limited	80.34	Yes
Ravenhill Limited	67.43	Yes
Fast Clean (Scotland) Limited	54.36	No

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

Supplier	Accredited	Progress towards accreditation	Not Accredited but pay the Living Wage	Committed to gaining accreditation over the first 2 years of framework	Not paying Living Wage but committed to doing so within 2 years	Neither accredited nor paying Living Wage
Balgownie Limited				Yes		
Bomag (Great Britain) Limited			Yes			
Bryson Tractors Limited			Yes			
Finning (UK) Ltd.						Yes
Fraser C Robb Limited	Yes					
Groundwater Lift Trucks Limited			Yes			
Hamilton Bros. (Engineering) Limited			Yes			
Indespension Ltd						Yes
Lloyd Limited			Yes			
Powerwasher Services Ltd			Yes			
R & L Miller Limited			Yes			
Ravenhill Limited			Yes			
Reid Hydraulic Services Limited			Yes			
Scot J C B Limited						Yes
Vantech Engineering Services Limited			Yes			
Young, Plant and Equipment Sales Limited	Yes					