

Scotland Excel

To: Executive Sub-Committee

On: 17 June 2022

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

Tender: Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables

Schedule: 20/21

Period: 07 July 2022 – 06 July 2025 with the option to extend for a period of up to 12 months until 06 July 2026

1. Introduction and Background

This recommendation is for the award of the second-generation renewal framework for the Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables.

This framework has been developed by the Operational Supplies and Services Team with a streamlined approach with key stakeholders, which has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. This improves the outcomes for councils by reducing resource pressure, consolidating demand and provides new collaborative procurement opportunities.

This proposed renewal framework was advertised for the period from 07 July 2022 – 06 July 2025 with the option to extend for a period of up to 12 months until 06 July 2026.

This framework will provide stakeholders with a mechanism to purchase and rent a range of water coolers including free standing bottled water coolers and plumbed in water coolers. Councils and associate members can also procure the associated maintenance and sanitisation services.

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 commercial user intelligence group steering group (CUIG-SG) endorsed the inclusion of three lots as summarised in Table 1.

Table 1: Lotting Structure

Lot Number	Description of sections	Estimated %age of Spend
Lot 1	Bottled Water Coolers and Associated Products (including installation)	42%
Lot 2	Plumbed-In Water Coolers (including installation)	42%
Lot 3	Sanitisation and Maintenance of Bottled and Plumbed-In Water Coolers	16%

The lotting structure recognises the importance of councils being able to purchase both bottled and plumbed in water coolers, as well as the rental of these units, where this is required. The structure also recognises that not all suppliers in the marketplace are able to provide all types of units.

As detailed in Appendix 1, 29 councils have confirmed their intention to participate in this framework, with all 32 councils 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 on 28 October 2021 which resulted in expressions of interest from 16 companies. A number of supplier engagement meetings were held on the basis of Regulation 41 (Preliminary Market Consultation) of the Public Contracts (Scotland) Regulations 2015 to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from Small to Medium Sized Enterprises (SME's.)

Thereafter, the Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 25 April 2022, 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 law and procedures currently in force.

As the CUIG-SG endorsed a streamlined approach for this opportunity, a more flexible approach to stakeholder engagement was taken. As a matter of best

practice and to ensure that the framework aligned with council requirements, a programme of consultation was conducted to understand their service requirements, the technical aspects of these services and their current purchasing practices and the 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 water coolers and associated consumables, Scotland Excel proceeded 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, bidders 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 First	4
Community Benefits	4
Sustainability, Stock Holding and Supply Chain	4
Customer Service, Complaint Handling & Innovation	8
Total score	20

Bidders were invited to submit a commercial offer on a lot by lot basis, confirming their ability to supply Council areas. Within the commercial section for lots 1 and 2, bidders were invited to offer for a basket of goods; for lot 3 bidders were invited to offer for a basket of services and maintenance elements.

The commercial section of the tender was worth 80 points.

4. Report on Offers Received

The tender document was downloaded by 13 organisations, with 7 tender responses received by the specified closing date and time. A summary of all 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 compliant offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings summarised above, it is recommended that a multi-supplier framework arrangement is awarded to 6 suppliers across three lots as outlined in Appendix 3.

The 6 recommended suppliers offer best value and represent a mix of small, medium and large organisations. By taking an inclusive approach this will provide members with a greater offering.

The range of suppliers recommended provides coverage for all awarding framework lots and competitive options for all participating bodies as well as offering a degree of choice and capacity.

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current costs against the costs submitted within the renewal tender. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 5%, which equates to an estimated total saving of approximately £56k per annum based on current forecast spend levels.

Price Stability

The framework applies 12 months fixed pricing to all lots. Thereafter, all requests for price increases will be evaluated according to the Terms and Conditions of the framework and require to be supported by documentary evidence.

Rebate

A rebate of 0.5% payable to Scotland Excel will be applied to framework spend above £100,000 (excluding the initial £100,000) and will be calculated based upon all framework spend with the supplier reported through management information returns.

Sustainability

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

- Waste reduction, stock holding and end of life processes
- Transportation
- Supply Chain

Responses highlight various approaches to reducing single use plastics in packaging, carbon offsetting and tracking and switching to electric vehicles. One of the recommended suppliers' current fleet of vehicles is 50% electric and is to grow to 60% by the end of 2022.

The nature of the products supplied under this framework will help buying authorities to be more sustainable by reducing reliance on single use plastic bottles. Suppliers recognise that we need to work urgently towards a world where plastic does not continue to pollute our environment. Plumbed-in water cooler solutions, may have the potential to drive up to 72% carbon footprint reduction and potentially eliminate the need for over 23 billion single use plastic bottles in the workspace every year. For locations where plumbed coolers are not viable, one supplier is able to offer bottled water coolers that use long life water cooler bottles which can be cleaned and used up to 50 times before being recycled.

Scotland Excel will continue to monitor any changes in legislation that may affect the framework during its lifetime and will work with successful suppliers and councils to implement these.

Community Benefits

Scotland Excel is committed to maximising community benefits delivery for our 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 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. Of the recommended suppliers, all 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 workshop or events in schools, college or community groups
- sponsorship of local sports teams and community events
- donations of products and vouchers
- 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 First 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 6 recommended bidders, all 6 pay the Real Living Wage and two of these are accredited, as detailed in Appendix 4 - List of Recommended Suppliers with Living Wage Status.

Scotland Excel will continue to monitor Fair Work First including the Real Living Wage status during contract and supplier management.

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 meetings and surveys, and annual user group reviews as appropriate. 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 second-generation framework for the Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables continues to maximise collaboration, promote added value and deliver best value. A range of benefits can be reported in relation to savings, price stability, sustainability and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations).

Appendix 1 – Participation, Spend and Savings Summary

Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables 20-21

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	07 July 2022	£73,836	Suppliers MI	10%	5%	£3,692	Benchmarked current framework
Aberdeenshire Council	Yes	07 July 2022	£80,605	Suppliers MI	10%	5%	£4,030	Benchmarked current framework
Angus Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Argyll & Bute Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
City of Edinburgh Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Clackmannanshire Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Comhairle nan Eilean Siar	No	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Dumfries & Galloway Council	Yes	07 July 2022	£45,423	Suppliers MI	10%	5%	£2,271	Benchmarked current framework
Dundee City Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
East Ayrshire Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
East Dunbartonshire Council	Yes	07 July 2022	£3,925	Suppliers MI	10%	5%	£196	Benchmarked current framework
East Lothian Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
East Renfrewshire Council	Yes	07 July 2022	£51,760	Suppliers MI	10%	5%	£2,588	Benchmarked current framework
Falkirk Council	Yes	07 July 2022	£55,714	Suppliers MI	10%	5%	£2,786	Benchmarked current framework
Fife Council	Yes	07 July 2022	£126,252	Suppliers MI	10%	5%	£6,313	Benchmarked current framework
Glasgow City Council	Yes	07 July 2022	£39,065	Suppliers MI	10%	5%	£1,953	Benchmarked current framework
Highland Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Inverclyde Council	Yes	07 July 2022	£32,478	Suppliers MI	10%	5%	£1,624	Benchmarked current framework
Midlothian Council	Yes	07 July 2022	£20,537	Suppliers MI	10%	5%	£1,027	Benchmarked current framework
Moray Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
North Ayrshire Council	Yes	07 July 2022	£81,197	Suppliers MI	10%	5%	£4,060	Benchmarked current framework
North Lanarkshire Council	Yes	07 July 2022	£47,362	Suppliers MI	10%	5%	£2,368	Benchmarked current framework
Orkney Islands Council	No	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Perth & Kinross Council	Yes	07 July 2022	£27,825	Suppliers MI	10%	5%	£1,391	Benchmarked current framework
Renfrewshire Council	Yes	07 July 2022	£123,644	Suppliers MI	10%	5%	£6,182	Benchmarked current framework
Scottish Borders Council	Yes	07 July 2022	£13,521	Suppliers MI	10%	5%	£676	Benchmarked current framework
Shetland Islands Council	No	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
South Ayrshire Council	Yes	07 July 2022	£54,455	Suppliers MI	10%	5%	£2,723	Benchmarked current framework
South Lanarkshire Council	Yes	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Stirling Council	Yes	07 July 2022	£3,780	Suppliers MI	10%	5%	£189	Benchmarked current framework
West Dunbartonshire Council	Yes	07 July 2022	£21,927	Suppliers MI	10%	5%	£1,096	Benchmarked current framework
West Lothian Council	Yes	07 July 2022	£29,608	Suppliers MI	10%	5%	£1,480	Benchmarked current framework
Tayside Contracts	No	07 July 2022	£0	Suppliers MI	10%	5%	£0	Benchmarked current framework
Totals			£932,914			5.0%	£46,646	
Associate Members	Yes	07 July 2022	£188,317	Suppliers MI	10%	5%	£9,416	Benchmarked current framework
Totals			£1,121,231			5.0%	£56,062	

Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lot(s) Tendered	Lot(s) Awarded
Aquaid Franchising Limited	Medium	Blantyre	1,2,3	1,2,3
Brita Vivreau Limited	Small	Uxbridge	2,3	N/A
Eden Springs UK Limited	Medium	Blantyre	1,2,3	1,2,3
Excel Vending Limited	Small	East Kilbride	2,3	2,3
Total Refreshment Solutions Limited	Micro	Penicuik	1,2,3	1,2,3
Waterlogic GB Limited	Large	Wolverhampton	1,2,3	1,2,3
Zip Heaters (UK) Ltd	Medium	Norfolk	1,2,3	1

Appendix 3 - Scoring and Recommendations

Lot 1 - Bottled Water Coolers and Associated Products (including installation)	Total Score	Recommended for Award
Eden Springs UK Limited	96.50	Yes
Waterlogic GB Limited	94.38	Yes
Zip Heaters (UK) Ltd	81.49	Yes
Aquaid Franchising Limited	80.57	Yes
Total Refreshment Solutions Limited	63.01	Yes

Lot 2 Plumbed-In Water Coolers (including installation)	Total Score	Recommended for Award
Waterlogic GB Limited	97.50	Yes
Eden Springs UK Limited	63.68	Yes
Aquaid Franchising Limited	55.39	Yes
Total Refreshment Solutions Limited	46.24	Yes
Excel Vending Limited	44.35	Yes
Zip Heaters (UK) Ltd	25.86	No
Brita Vivreau Limited	20.06	No

Lot 3 Sanitisation and Maintenance of Bottled and Plumbed-In Water Coolers	Total Score	Recommended for Award
Aquaid Franchising Limited	93.88	Yes
Waterlogic GB Limited	90.43	Yes
Eden Springs UK Limited	73.30	Yes
Total Refreshment Solutions Limited	61.02	Yes
Excel Vending Limited	35.67	Yes
Zip Heaters (UK) Ltd	24.54	No
Brita Vivreau Limited	19.03	No

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
Aquad Franchising Limited				Yes		
Eden Springs UK Limited				Yes		
Excel Vending Limited	Yes					
Total Refreshment Solutions Limited	Yes					
Waterlogic GB Limited				Yes		
Zip Heaters (UK) Ltd				Yes		

Appendix 5 – Segmentation classifications

2021 Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables 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.