

Scotland Excel

To: Executive Sub Committee

On: 27 April 2018

**Report
by
Director Scotland Excel**

Tender: Supply and Delivery of Power Tools

Schedule: 02-18

Period: 17 June 2018 until 16 February 2021 with the option to extend for up to 12 months until 16 February 2022

1. Introduction and Background

The framework for Power Tools has been developed to facilitate the supply and delivery of power tools to council depots, schools and other locations, as well as collection from supplier trade counters.

The requirement was originally tendered as part of the 07-17 Trade Materials framework, however the power tools lot was not awarded as tenderers were unable to provide the necessary product and geographical coverage required by councils across Scotland.

In order to continue to meet council requirements and ensure best value, it was agreed that, following a review and revision of the commercial model and specification, the power tool requirements would be tendered separately as a standalone framework.

This recommendation for the award of a new framework for the supply and delivery of power tools, will operate from 17 June 2018 until 16 February 2021, with the option to extend for up to 12 months until 16 February 2022.

The framework was advertised at a value of £2.5 million over the total potential framework period.

2. Scope and Participation

The framework encompasses a variety of power tools and associated accessories. The power tool market is characterised by a wide variety of brands and specifications. It is anticipated that the products purchased through the framework will be varied in type and will be dependent on the work being undertaken in each council area.

All councils have confirmed their intention to participate in this framework. In addition, the Scottish Prison Service, NHS Scotland and Advanced Procurement for Universities and Colleges (APUC) have confirmed their intention to participate.

To allow for potential migration from existing arrangements during the life of the framework, Scotland Excel associate members were also included in the contract notice for this framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on 8 February 2018, which resulted in expressions of interest from 43 companies.

In addition, stakeholder feedback gathered during the development of the 07-17 Trade Materials framework was also used in developing the procurement strategy.

To ensure that the framework aligned with council requirements, member councils were contacted to discuss the commercial model for the framework. The specification was reviewed and aligned with council requirements and supply market capability.

To ensure maximum competition, an open tender process was followed to establish the framework. The tender was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 21 February 2018. The tender process was conducted using the Public Contracts Scotland Tender system (PCS-T).

The evaluation process assessed tenderers against the established award criteria. In order to be eligible for award, tenderers were required to pass the minimum standards of bidder selection which was assessed using the European Single Procurement Document (ESPD). Within this, tenderers were required to answer a number of questions relating to conduct and business probity along with questions on insurance, financial standing, quality management, health and safety and environmental management.

Offers were evaluated against the following overall weightings:

Commercial	80%
Technical	20%

Within the technical section, bidders were required to complete scored questions and method statements to evidence their knowledge, experience and capability.

The following commercial and technical criteria were used to evaluate responses:

Area	Maximum Points Available
Schedule of Rates	70
Non-Core Discount	7
Sole Supply Discount	3
Additional Fixed Pricing	2
Early Settlement Discount	1
Method Statement: Cost Reduction and Innovation	3
Method Statement: Sustainability	7
Method Statement: Customer Service and Delivery	7

Table 1: Breakdown of Award Criteria

4. Report on Offers Received

The tender document was downloaded by 44 companies, with 15 tender responses received.

A summary of all offers received and their SME status is provided in Appendix 1. One of the offers received was deemed non-compliant as no commercial schedule was submitted. This offer was removed from the evaluation process.

Following a full evaluation of the 14 remaining compliant bidders, final scoring was completed. Appendix 2 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken in line with the criteria and weightings set out above, it is recommended that a multi supplier framework agreement is awarded to eight suppliers as outlined in Appendix 2.

Of the eight recommended suppliers:

- two are classified as a large business;
- one is a medium sized business; and

- five are small businesses.

The recommended suppliers will ensure councils have access to the necessary range of product specifications and will ensure best value through sufficient competition across all parts of Scotland.

6. Benefits

Savings

The wide range and changing list of power tool products required by councils makes forecasting difficult.

By comparing the average total pricing tendered with the best value offer submitted, an average saving across all councils of 5.8% is projected. This equates to estimated total savings of approximately £39k per annum, based on current spend forecasts.

There is potential for further savings for councils through selection of alternate products, suppliers or the use of sole supply discount arrangements. Scotland Excel will work closely with councils to assist them determine where additional savings could be achieved.

Price Stability

Bidders have accepted as part of the framework contract the requirement that suppliers will hold prices firm for the first 12 months of the contract.

Furthermore, three recommended suppliers have confirmed they will hold their prices for an additional three or six months, providing more stability for councils.

After the initial fixed price period, suppliers, subject to the necessary documentary evidence, may submit a request for a price increase on an annual basis. Suppliers may submit a price decrease at any time during the framework contract period.

Sustainable Procurement Benefits

Community Benefits

All recommended suppliers have confirmed their compliance with Scotland Excel's community benefits approach for this framework. This will be based on the annual spend thresholds provided for each individual council.

On an annual basis, Scotland Excel will calculate which annual spend thresholds have been met based on submitted management information and provide this information to relevant suppliers and councils.

When suppliers meet the minimum annual spend threshold for an individual council they will be required to agree with the council's community benefits lead

or other designated person to finalise the benefits they will deliver and confirm monitoring arrangements.

Examples of community benefits that suppliers may offer include:

- supply chain development including increased use of supported business uses;
- work experience placement;
- sponsorship; and
- equipment/product donations.

Fair Work Practices

Bidders were asked to confirm their approach to fair work practices and the Scottish Living Wage. In terms of the Scottish Living Wage:

- One supplier is an accredited Living Wage employer
- One supplier has committed to gaining accreditation in the first 2 years of the contract
- Four of the suppliers pay the Scottish Living Wage or above to all employees (except volunteers, apprentices and interns)

Suppliers also detailed their fair working practices, including how they will support staff development, training and employee engagement.

Scotland Excel will work with all awarded suppliers during the lifetime of the framework to ensure their commitments are met.

Sustainability

Bidders were asked to detail their approach to sustainability.

Suppliers provided details of proposed recycling initiatives (including cardboard and plastic), energy consumption reduction opportunities and route mapping improvements. Suppliers also commented on how they will support sustainability across their own supply chains through effective sourcing processes.

Other Benefits

The framework will provide councils with a clear pricing and discount structure, simplifying the purchase process and ensuring best value is achieved. In addition:

- Six of the recommended suppliers are based in Scotland, supporting the Scottish economy.
- The framework will support small to medium enterprises as six of the eight recommended suppliers are classified as SMEs.

- The framework promotes effective purchasing through alignment with the 07-17 Trade Materials framework terms and conditions and community benefits methodology.

7. Contract Mobilisation and Management

Both 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 requiring annual supplier and user group reviews.

8. Summary

This framework for the supply and delivery of power tools aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits in relation to savings, price stability, sustainability and community benefits have been secured.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement.

Appendix 1 - SME Status

Tenderer Name	SME Status	Location
A1 Ironmongery Ltd	Small	Ayr
Berner UK Limited	Medium	Bridgwater
Brammer UK Limited	Large	Manchester
CMT Equipment Ltd T/A CMT Group	Small	Lincoln
Cromwell Tools Limited	Large	Wigston
Enermech Limited	Large	Aberdeen
Gibb & Beveridge (Engineering Agencies) Ltd	Small	Dunfermline
Jewson Limited	Large	Coventry
Kelvin Powertools Ltd	Small	Glasgow
MacGregor Industrial Supplies Ltd	Medium	Inverness
J.G. Martin Plant Hire Limited	Small	Govan
S.I.I.S. Ltd	Small	St Andrews
STAX TRADE CENTRES PLC	Large	Manchester
Turnkey Facilities Solutions Limited *NC	Small	East Kilbride
Decco Ltd T/A White Milne	Large	Dundee

*NC denotes a Non-Compliant supplier

Appendix 2 - Scoring and Recommendations

(Asterisk (*)) denotes recommended supplier

Supply and Delivery of Power Tools	
Tenderer	Score
Gibb & Beveridge (Engineering Agencies) Ltd*	89.0
S.I.I.S. Ltd*	80.7
Decco Ltd T/A White Milne*	80.3
Jewson Limited*	79.6
J.G. Martin Plant Hire Limited*	77.9
MacGregor Industrial Supplies Ltd*	77.2
CMT Equipment Ltd T/A CMT Group*	74.8
Kelvin Powertools Ltd*	73.2
Brammer UK Limited	66.5
STAX TRADE CENTRES PLC	63.1
A1 Ironmongery Ltd	62.0
Berner UK Limited	61.6
Enermech Limited	57.6
Cromwell Tools Limited	56.8
Turnkey Facilities Solutions Limited	NC