

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 17 November 2017**

**Report  
by  
Director Scotland Excel**

**Tender: Supply and Delivery of Heavy and Municipal Vehicles**

**Schedule: 03/17**

**Period: 1 January 2018 until 31 December 2021**

### **1. Introduction and Background**

The current framework for Heavy and Municipal Vehicles will expire on 31 December 2017. This recommendation is for the award of a renewal framework which will operate from 1 January 2018 until 31 December 2021. This framework covers a range of heavy vehicle chassis and body types, including the full project management of building completed vehicles to support councils' delivery of various public 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 User Intelligence Group (UIG) confirmed a level of satisfaction with the current framework and endorsed the inclusion of thirteen lots as summarised in Table 1. Additional lots have been added for trailers, aerial platforms and lorry mounted cranes following councils' requests for a wider scope. Furthermore, bodies for road sweepers and complete road sweeper vehicles are now two individual lots to be more reflective of the supply base. This strategy is designed to align with council requirements, whilst also recognising the current structure of the market place, as well as maximising opportunities for SME participation.

**Table 1: Lotting Structure**

<b>Lot Number</b>	<b>Description</b>	<b>Estimated % of Spend</b>
1	Chassis	50%
2	Bodies for Tipplers	1%
3	Bodies for Skip Loaders	1%
4	Bodies for Gully Emptiers	1%
5	Bodies for Road Sweepers	3%
6	Complete Road Sweeper Vehicles	3%
7	Bodies for Gritters	4%
8	Bodies for Refuse Collection Vehicles	25%
9	Accessible Buses	5%
10	Library Buses	1%
11	Bin Lifts	4%
12	Trailers	1%
13	Aerial platforms and lorry mounted cranes	1%

As detailed in Appendix 1, 32 Councils plus Tayside Contracts will participate in this framework renewal. Note: Angus Council's heavy vehicles requirements will be procured via Tayside Contracts.

To ensure that all 32 councils have the option to use the framework, all councils have been listed in the EU notice as participants so that they have the opportunity to use the Scotland Excel framework where it provides them with best value.

The contract was advertised with an estimated value of £160m over the 4 year period. The forecast annual spend for participating councils is circa £37m per annum and the framework was advertised at a value of £40 million per annum to allow for growth within participating Councils, and increased participation from Councils or cross sector collaborations. The framework covers the supply and delivery of an extensive range of commonly purchased chassis, body types and specialist equipment such as bin lifts and street sweepers.

### **3. Procurement Process**

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 23 March 2017. There was also representation and consultation with Zero Waste Scotland at this meeting and throughout the procurement process to ensure the procurement aligned with best practice from an environmental and sustainability perspective. In addition, a working group of technical and procurement representatives was formed to review the lot structure, technical specifications and participate in the evaluation.

A Prior Information Notice (PIN) was published on 9 February 2017, which resulted in expressions of interest from 58 organisations. Thereafter, in order to ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the framework.

The Contract Notice was published via the Official Journal of the European Union and the Public Contracts Scotland portal (PCS) on 8 August 2017 with the tender documentation being made available for immediate download from 10 August 2017, 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 probity requirements. Bidders were required to pass this stage to be eligible for award. At the second stage, offers were evaluated against the following criteria and weightings.

Technical	30%
Commercial	70%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including; support services, spares, operational processes, sustainability and community benefits. In addition to these questions, bidders were asked their capability of providing a range of additional services that would add value to councils such as the provision of lease quotation facilities, vehicles buy back options, disposal of aged fleet options and second hand vehicle purchase options.

Bidders were also asked to confirm which council areas they had the ability to service.

Within the commercial section, bidders were invited to offer on a lot by lot basis and provide prices and discount structures for a range of the most commonly used chassis, body types and specialist equipment.

Fixed pricing for 12 months was requested for all lots, with further options for bidders to confirm if they are willing to offer longer periods of fixed pricing or early settlement discounts.

#### **4. Report on Offers Received**

The tender document was downloaded by 66 organisations, with 32 tender responses received. 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 carried out. Appendix 3 sets out the scoring achieved by each bidder.

## **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 29 suppliers across the thirteen lots as outlined in Appendix 3. The 29 recommended service providers can meet operational requirements across all geographical areas, a range of choice and capacity for council members, whilst also representing a mix of small, medium and large organisations, with 24 of the recommended suppliers classified as SMEs.

## **6. Benefits**

### **Savings**

Scotland Excel conducted a benchmarking exercise for each council and the results of this benchmarking are detailed in Appendix 1.

The benchmarking exercise was based on the main chassis manufacturer prices. This was exercised by comparing vehicle chassis prices available on the current framework compared to the framework renewal prices in relation to Council's specific requirements, taking into account which suppliers have agreed to service each council.

From this analysis, it is apparent that a significant proportion of chassis manufacturers' product offerings have been upgraded to new model designations in order to be compliant with the supplied technical specifications of the tender, thus making direct comparisons with the current framework product offerings problematic.

These new models, although in some cases marginally more expensive, have increased engine sizes with modernised engine technology, increased horsepower and are also more fuel efficient. There are also significantly enhanced safety features incorporated as standard including advanced emergency braking systems and lane departure warning systems.

In terms of demonstrating best value, market indexation tracking against the current framework indicates that framework savings of circa 5% are being achieved. Based on this analysis, this level of market competitiveness is anticipated to continue.

Therefore, due to these new and technically upgraded model types being introduced within the tender submission, the council cost impact will be recorded as being cost neutral and is shown in Appendix 1 as 0%. It is anticipated that increased savings could be realised through councils conducting mini competitions.

Although the council cost impact is being recorded as cost neutral, additional benefits have been offered by suppliers through the framework and are detailed below within Sustainable Procurement Benefits and Community Benefits. Whilst no monetary value can be immediately associated with these additional benefits, they provide added social, economic and environmental value for councils.

### **Price Stability**

All service providers 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, per vehicle chassis or body type to accommodate market fluctuations. All requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

In addition to the mandatory 12 month fixed pricing periods for all lots, 6 of the recommended suppliers have offered further additional fixed pricing periods of between 12 months and 24 months.

### **Sustainable Procurement Benefits**

Within the technical section of the tender, the sustainability method statement assessed bidders 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 service providers including;

- Fleet/Vehicle Environmental Standards
- Reducing Carbon Footprint
- Waste Reduction
- Vehicle and Waste Prevention

Furthermore, under the Euro VI vehicles Commission Regulation (EU) 582/2011, all heavy vehicles registered, delivered or sold after 31 December 2013 must adhere to the Euro VI standard. In order to be considered as an approved chassis provider or a builder of complete vehicles that have undergone body fitting and modification prior to initial delivery and registration, all framework suppliers must comply with Euro VI standards.

### **Community Benefits**

Bidders were also asked to detail and demonstrate their commitment to providing community benefits, and this will be further discussed during framework mobilisation and reported through ongoing contract management returns.

Results reported on community benefits will be disseminated to councils on a six-monthly basis. A range of community benefits dependent on spend levels were offered by bidders including:

- Sponsorship of local sports team
- Sponsorship of community event
- Recruitment of modern apprentices
- Work experience to school children and further education students
- Assist in community projects
- Offer training sessions to council apprentices
- Workshop/school/college event
- Employability workshop or event
- Donation of product vouchers
- Recruitment of persons

### **Fair Work Practices including the Living Wage**

Bidders were asked a question on their approach to Fair Work Practices and the Scottish Living Wage status. Of the 29 recommended service providers, 22 currently pay the Scottish Living Wage with a further 4 making commitments to pay the Scottish Living Wage within the initial two years of the Framework Contract.

Scotland Excel includes monitoring Fair Work Practices including the Scottish Living Wage within its contract and supplier management programme and will work with the remaining 3 suppliers during the lifetime of the new framework to encourage their commitment to pay all staff the Scottish Living Wage.

## **7. Contract Mobilisation and Management**

All service providers and participating members will be issued with a mobilisation pack containing all required details to launch the framework. Each service provider 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 programme, this framework has been classified as a level 2 arrangement in terms of both risk and spend requiring annual supplier and user group reviews as appropriate.

## **8. Summary**

This framework for the supply and delivery of Heavy and Municipal Vehicles aims to maximise collaboration, support councils 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 recommendation to award this framework agreement to the suppliers as detailed in Appendix 3.



## Appendix 1 – Participation, Spend and Savings Summary – Supply and Delivery of Heavy and Municipal Vehicles 03-17

Member Name	Participate In Framework	Participation Entry Date	Est. Annual Spend	Source of Spend	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City	Yes	From start	£3,900,000	Council confirmed	0%	£0	No overall calculation
Aberdeenshire	Yes	From start	£4,400,000	Council confirmed	0%	£0	No overall calculation
Angus	Via Tayside Contracts						No overall calculation
Argyll & Bute	Yes	From start	£413,000	Council confirmed	0%	£0	No overall calculation
Clackmannanshire	Yes	From start	£148,000	Council confirmed	0%	£0	No overall calculation
Comhairle nan Eilean Siar	Yes	From start	£208,820	Council confirmed	0%	£0	No overall calculation
Dumfries & Galloway	Yes	From start	£160,204	Contract MI	0%	£0	No overall calculation
Dundee City	Yes	From start	£817,000	Council confirmed	0%	£0	No overall calculation
East Ayrshire	Yes	From start	£967,802	Council confirmed	0%	£0	No overall calculation
East Dunbartonshire	Yes	From start	£1,100,000	Council confirmed	0%	£0	No overall calculation
East Lothian	Yes	From start	£1,200,000	Council confirmed	0%	£0	No overall calculation
East Renfrewshire	Yes	From start	£915,000	Council confirmed	0%	£0	No overall calculation
Edinburgh City	Yes	From start	£1,400,000	Council confirmed	0%	£0	No overall calculation
Falkirk	Yes	From start	£500,000	Council confirmed	0%	£0	No overall calculation
Fife	Yes	From start	£1,100,000	Council confirmed	0%	£0	No overall calculation
Glasgow	Yes	From start	£2,500,000	Council confirmed	0%	£0	No overall calculation
Highland	Yes	From start	£1,300,000	Council confirmed	0%	£0	No overall calculation
Inverclyde	Yes	From start	£440,000	Council confirmed	0%	£0	No overall calculation
Midlothian	Yes	From start	£584,920	Council confirmed	0%	£0	No overall calculation
Moray	Yes	From start	£746,000	Council confirmed	0%	£0	No overall calculation
North Ayrshire	Yes	From start	£1,000,000	Council confirmed	0%	£0	No overall calculation
North Lanarkshire	Yes	From start	£717,000	Council confirmed	0%	£0	No overall calculation
Orkney Islands	Yes	From start	£750,000	Council confirmed	0%	£0	No overall calculation
Perth & Kinross	Yes	From start	£837,000	Council confirmed	0%	£0	No overall calculation
Renfrewshire	Yes	From start	£1,300,000	Council confirmed	0%	£0	No overall calculation
Scottish Borders	Yes	From start	£773,000	Council confirmed	0%	£0	No overall calculation
Shetland Islands	Yes	From start	£500,000	Council confirmed	0%	£0	No overall calculation
South Ayrshire	Yes	From start	£867,000	Council confirmed	0%	£0	No overall calculation
South Lanarkshire	Yes	From start	£2,200,000	Council confirmed	0%	£0	No overall calculation
Stirling	Yes	From start	£95,000	Council confirmed	0%	£0	No overall calculation
Tayside Contracts	Yes	From start	£2,000,000	Contract MI	0%	£0	No overall calculation
West Dunbartonshire	Yes	From start	£351,751	Council confirmed	0%	£0	No overall calculation
West Lothian	Yes	From start	£2,500,000	Council confirmed	0%	£0	No overall calculation
			<b>£36,691,497</b>				



## Appendix 2 - Organisational Status

Tenderer	Organisational Status	Location	Lots Tendered
A M Phillip Trucktech Ltd	Medium	Forfar	1
Aebi Schmidt UK Ltd	Medium	Peterborough	5,6,7
Bunce (Ashbury) Ltd	Small	Swindon	6,7
C P Davidson & Sons Ltd	Medium	Chorley	7,8,11
Caledonian Truck & Van Limited	Medium	Airdrie	1
Specialist Cars (Aberdeen) Limited T/A Clark Commercials (Edinburgh)	Medium	Aberdeen	1
DAF Trucks NV	Large	Eindhoven	1
Dennis Eagle Limited	Large	Warwickshire	1,8,11
Econ Engineering Ltd	Medium	North Yorkshire	7
FAUN Zoeller UK Limited	Medium	Worcestershire	5,8,11
Geesink Norba Limited	Medium	Cardiff	8,11
Hako Machines Ltd	Small	Northamptonshire	6
Farid Hillend Engineering Limited	Medium	Fife	8,11
HYVA (UK) Ltd	Medium	Manchester	2,3,13
Imperial Commercials Ltd	Large	Buckinghamshire	1
Isuzu Truck (UK) Ltd	Medium	Herts	1
James A. Cuthbertson Limited	Small	Biggar	2,7
Johnston Sweepers Limited	Large	Surrey	5,6,7
Kerr And Smith (Glasgow) Limited	Medium	Ayrshire	1
Logan Inglis Ltd	Small	Glasgow	2,3,13
M6 Vehicle Hire Limited	Small	West Midlands	8
MAN Truck & Bus UK Ltd	Large	Wiltshire	1
NTM-GB Ltd	Medium	Shropshire	4,8
Nu-Track Ltd	Small	Antrim	9,10
Outreach Ltd	Medium	Falkirk	2,3,13
Romaquip Ltd	Medium	Offaly	7,8
Scarab Sweepers Limited	Medium	Kent	5,6
Stock Sweepers Limited	Small	Gloucestershire	5
Treka bus Ltd	Medium	Yorkshire	9
Volvo Group UK Ltd T/A Volvo Truck And Bus Centre North & Scotland	Medium	Warwick	1
Western Automobile Company Limited T/A Western Commercials	Medium	West Lothian	1
Whale Tankers Limited	Medium	West Midlands	4



**Appendix 3 - Scoring and Recommendations** (Asterisk (\*) denotes recommended supplier, N/C denotes non-compliant supplier)

Lot 1 - Chassis		Total Score
Tenderer		
A M Phillip Trucktech Ltd*		83.94
Isuzu Truck (UK) Ltd*		80.30
Western Automobile Company Limited T/A Western Commercials*		78.51
Specialist Cars (Aberdeen) Limited T/A Clark Commercials (Edinburgh)*		78.32
Caledonian Truck & Van Limited*		78.06
Dennis Eagle Limited*		77.65
MAN Truck & Bus UK Ltd*		75.73
Volvo Group UK Ltd T/A Volvo Truck And Bus Centre North & Scotland*		75.38
Imperial Commercials Ltd*		75.28
Kerr And Smith (Glasgow) Limited*		75.06
DAF Trucks NV*		66.79

Lot 4 - Bodies for Gully Emptiers		Total Score
Tenderer		
Whale Tankers Limited*		86.50
NTM-GB Ltd*		64.33

Lot 5 - Bodies for Road Sweepers		Total Score
Tenderer		
FAUN Zoeller UK Limited*		88.62
Johnston Sweepers Limited*		88.11
Scarab Sweepers Limited*		83.98
Stock Sweepers Limited*		63.56
Aebi Schmidt UK Ltd*		61.01

Lot 2 - Bodies for Tipplers		Total Score
Tenderer		
Logan Inglis Ltd*		81.71
HYVA (UK) Ltd*		74.80
Outreach Ltd*		66.32
James A. Cuthbertson Limited*		62.21

Lot 6 - Complete Road Sweeper Vehicles		Total Score
Tenderer		
Bunce (Ashbury) Ltd*		94.50
Hako Machines Ltd*		89.83
Johnston Sweepers Limited*		87.71
Aebi Schmidt UK Ltd*		79.08
Scarab Sweepers Limited*		71.48

Lot 3 - Bodies for Skip Loaders		Total Score
Tenderer		
Outreach Ltd*		82.97
Logan Inglis Ltd*		75.94
HYVA (UK) Ltd*		75.30



Lot 7 - Bodies for Gritters		
Tenderer	Total Score	
James A. Cuthbertson Limited*	82.32	
Econ Engineering Ltd*	80.65	
Johnston Sweepers Limited*	80.18	
Aebi Schmidt UK Ltd*	72.62	
C P Davidson & Sons Ltd	60.87	
Bunce (Ashbury) Ltd	44.66	
Romaquip Ltd	40.84	

Lot 8 - Bodies for Refuse Collection Vehicles		
Tenderer	Total Score	
Geesink Norba Limited*	88.58	
C P Davidson & Sons Ltd*	83.47	
FAUN Zoeller UK Limited*	81.08	
Dennis Eagle Limited*	80.15	
Farid Hillend Engineering Limited*	79.24	
M6 Vehicle Hire Limited	73.43	
NTM-GB Ltd	62.96	
Romaquip Ltd	N/C	

Lot 9 - Accessible Buses		
Tenderer	Total Score	
Nu-Track Ltd*	91.00	
Treka bus Ltd	N/C	

Lot 10 - Library Buses		
Tenderer	Total Score	
Nu-Track Ltd*	91.00	

Lot 11 - Bin Lifts		
Tenderer	Total Score	
FAUN Zoeller UK Limited*	87.68	
Farid Hillend Engineering Limited*	83.63	
Geesink Norba Limited*	82.58	
C P Davidson & Sons Ltd*	82.51	
Dennis Eagle Limited*	76.17	

Lot 12 - Trailers		
Tenderer	Total Score	
NO OFFERS		

Lot 13 - Aerial platforms and lorry mounted cranes		
Tenderer	Total Score	
HYVA (UK) Ltd*	78.50	
Logan Inglis Ltd*	70.50	
Outreach Ltd*	59.00	