

Finance and Resources Committee

10.00am, Thursday, 23 May 2019

Framework Agreement for the Hire of Plant with Operator

Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 That the Finance and Resources Committee:

- 1.1.1 Approves the award of a framework agreement for the Hire of Plant with Operator to 12 suppliers over seven Lots; Wm Hamilton & Sons Limited, Dr Plant Hire [Ratho] Ltd, Galt Transport, John McGeady Ltd, Willsweep Limited, Jarvie Plant Group Ltd, Markon Limited, Hillhouse Quarry Group Ltd, RD Anderson Haulage Limited, A Williamson Haulage Ltd, E & J Douglas & Sons Ltd, NWH Group; and
- 1.1.2 Approves the commencement of the framework on 1 July 2019 for a period of two years, until 30 June 2021, with the option to extend for up to a further two years, at 12-month intervals, until 30 June 2023

Paul Lawrence

Executive Director of Place

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Framework Agreement for the Hire of Plant with Operator

2. Executive Summary

- 2.1 This report seeks the approval of the Finance and Resources Committee to award a framework agreement for the Hire of Plant with Operator. It is recommended that 12 suppliers are awarded onto the framework agreement over seven Lots.
- 2.2 The duration of the framework agreement will be two years, with an option to extend for two additional 12-month periods.
- 2.3 Over the four-year period the total framework value, including extensions, is estimated at approximately £1,107,746. It should be noted that this value may fluctuate depending on demand for plant hire and which suppliers the services are obtained from.

3. Background

- 3.1 The Councils, Edinburgh Road Services (ERS) carry out various works throughout the City of Edinburgh, the service has been reshaped in recent years and requirements have changed.
- 3.2 The current contract arrangements have been reviewed and the framework has encompassed the service redesign and identified there is still requirement for plant hire with operators to enable the Council to meet its statutory duties and complete ongoing works.

4. Main report

- 4.1 The framework agreement encompasses the provision of Plant vehicles with operators utilised to assist ERS with completing their statutory duties where additional vehicles and operators are required. The framework also includes for on-call gritters in cases of extreme weather.
- 4.2 The framework contains 7 lots:

- Lot 1 - Road Planers
- Lot 2 - Road Sweepers
- Lot 3 - Road Lorries
- Lot 4 - Gritter Vehicles
- Lot 5 - Hi-Ab Cranes
- Lot 6 - Lowloaders
- Lot 7 - Road Finishers

- 4.3 The Lotting structure was agreed to align with the service redesign with regard to ongoing and future works and ensuring continuity of supply, therefore Lot 1 and Lot 3 are awarded to 3 suppliers, and is awarded per item. Lot 2, Lot 5, Lot 6 and Lot 7 are awarded to 5 suppliers and Lot 4 a single supplier due to the nature of on-call payments.
- 4.4 Each Lot contains comprehensive information on how suppliers will deal with breakdowns, repairs and replacements along with robust KPIs to reduce impacts upon ongoing Council operations.
- 4.5 Commercial and Procurement Services (CPS), in conjunction with ERS undertook a full OJEU tender exercise. On 17 January 2019, the Council published a Contract Notice under an Open Procedure, as set out in the Public Contracts (Scotland) Regulations 2015, with a deadline of 19 February 2019.
- 4.6 The procurement procedure allowed the Council to identify suitable tenders in terms of compliance with the procurement regulations and the service specific criteria. To identify suppliers offering Best Value the tender evaluation included an emphasis on quality as well as price, and submissions were assessed on the most economically advantageous tender. The cost: quality ratio was set to reflect the need for a quality service at the most economical price. All lots were weighted 40% quality and 60% price. An overall minimum quality threshold of 30% (12 out of 40) was applied. The scores and ranking of recommended suppliers are detailed at appendix two.
- 4.7 A total of 30 suppliers registered interest in the Contract Notice, with tenders received from 15 suppliers.
- 4.8 Lot 1 received 7 submissions, Lot 2 received 7, Lot 3 received 6, Lot 4 received 3, Lot 5 received 4, Lot 6 received 8 and Lot 7 received 4 submissions. One supplier tendering for Lot 1, Lot 2, Lot 3, Lot 6 and Lot 7 went in to liquidation, whilst a further supplier on Lot 3 was deemed as non-compliant, another supplier failed the quality on Lot 1, Lot 2, Lot 3 and Lot 4. Therefore, based upon the quality: cost applied, 12 suppliers are recommended for award onto the framework.
- 4.9 The Framework shall be managed by the Council's ERS. They will track benefits and monitor the Key Performance Indicators for the duration of the framework.
- 4.10 It is anticipated that the framework shall commence on 1 July 2019 for a period of two years, with the option to extend for two additional 12-month periods.

5. Next Steps

- 5.1 Subject to approval, the services will commence on 1 July 2019, and shall allow the Council to meet its obligations in regard to the provision of road services throughout the City of Edinburgh. The framework will be utilised to obtain operated plant for requirements throughout Edinburgh.

6. Financial impact

- 6.1 The framework value is estimated at £1,107,746 over the four-year period. This figure is based upon forecast requirements of each Lot and may fluctuate over the term of the framework based upon ERS ongoing requirements.
- 6.2 A benchmarking exercise has been carried out comparing pricing to the previous Council framework agreement and other national frameworks as well as taking in to account changes to requirements, producing an estimated annual saving of £25,000 per annum (£100,000 over 4 years).
- 6.3 Implementation of the framework allows the required capacity of plant with operators to be met with the potential for additional capacity if required. Consequently, there should no longer be a requirement to spot hire additional non-contracted plant.
- 6.4 In order to identify suppliers offering Best Value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. The cost: quality ratio was set to reflect the need for a quality service at the most economical price. As specifications and contract requirements covered most aspects, therefore reducing risk of receiving poor quality plant and operators there was justification to place more of an emphasis on cost over quality. All lots were weighted 40% quality and 60% cost. An overall minimum quality ratio of 30% was utilised.
- 6.5 Prices are fixed for a period of two years, with price increases after this period being subject to review and approval by the Council with justification provided by suppliers.
- 6.6 The costs associated with procuring this framework agreement are estimated to be up to £10,000.

7. Stakeholder/Community Impact

- 7.1 Tenderers were asked to commit and sign up to the Community Benefits Point System for providing community benefits throughout the duration of the framework based upon any spend awarded to the supplier. This will be reported through ongoing contract management returns.

- 7.2 All suppliers have robust Health and Safety and Sustainability policies and will adhere to the Council on-site management system when working on behalf of the Council.
- 7.3 The framework recommended for award is compliant with procurement regulations and the Council's Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provision of this service is thereby reduced.

8. Background reading/external references

- 8.1 N/A.

9. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 2 – Suppliers Recommended for Award and Ranking

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 1	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£500,380	
Procurement Route Chosen	Open Procedure	
Tenders Returned	7	
Names of Recommended Supplier(s) in order of Rank. Lot 1 was awarded per Plant Item.	1.0 Metre Road Planer	0.35 Meter Road Planer + Brush
	John McGeady Ltd Willsweep Limited Markon Limited	Willsweep Limited Markon Limited John McGeady Ltd
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 2	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£46,830	
Procurement Route Chosen	Open Procedure	
Tenders Returned	7	
Names of Recommended Supplier(s) in order of Rank	Willsweep Limited NWH Group John McGeady Ltd WM Hamilton & Sons Limited E & J Douglas & Sons Ltd	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. Delivery Team Structure & Roles & Responsibilities - 10% Resources - 15% Quality Assurance - 10% Complaints and Customer Service - 15% Operator Training - 10% Meeting Key Performance Indicators & Targets - 10% Health & Safety - 10% Risk Register - 10% Environment and Sustainability - 5% Fair Work Practice - 5%	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 3		
Contract Period	Two years with option to extend by two additional 12-month periods		
Estimated Contract Value (including extensions)	£287,980		
Procurement Route Chosen	Open Procedure		
Tenders Returned	6		
Names of Recommended Supplier(s) in order of Rank. Lot 3 was awarded per Plant Item.	8 x 4 Tipper - Standard	8 x 4 Tipper - Insulated	8 x 4 Tipper - Clamshell Bucket
	Willsweep Limited NWH Group Limited E & J Douglas & Sons Ltd	Willsweep Limited E & J Douglas & Sons Ltd	NWH Group
Cost / Quality Split	60% Cost		40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>		
Evaluation Team	Three Council Officers from Edinburgh Road Services		

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 4	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£73,296	
Procurement Route Chosen	Open Procedure	
Tenders Returned	3	
Names of Recommended Supplier(s) in order of Rank	Willsweep Limited	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 5	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£35,900	
Procurement Route Chosen	Open Procedure	
Tenders Returned	4	
Names of Recommended Supplier(s) in order of Rank	A Williamson Haulage Limited Jarvie Plant Limited RD Anderson Haulage Limited Galt Transport Limited	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 6	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£73,440	
Procurement Route Chosen	Open Procedure	
Tenders Returned	8	
Names of Recommended Supplier(s) in order of Rank	Willsweep Limited A Williamson Haulage Limited Jarvie Plant Limited NWH Group E & J Douglas & Sons Ltd	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender. Delivery Team Structure & Roles & Responsibilities - 10% Resources - 15% Quality Assurance - 10% Complaints and Customer Service - 15% Operator Training - 10% Meeting Key Performance Indicators & Targets - 10% Health & Safety - 10% Risk Register - 10% Environment and Sustainability - 5% Fair Work Practice - 5%	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Contract	Framework Agreement for the Hire of Plant with Operator - Lot 7	
Contract Period	Two years with option to extend by two additional 12-month periods	
Estimated Contract Value (including extensions)	£89,920	
Procurement Route Chosen	Open Procedure	
Tenders Returned	4	
Names of Recommended Supplier(s) in order of Rank	John Mcgeady Limited DR Plant Hire Limited Hillhouse Quarry Group Limited	
Cost / Quality Split	60% Cost	40% Quality
Quality Evaluation Criteria and Weightings and reason for this approach	<p>To identify providers offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the most economically advantageous tender.</p> <p>Delivery Team Structure & Roles & Responsibilities - 10%</p> <p>Resources - 15%</p> <p>Quality Assurance - 10%</p> <p>Complaints and Customer Service - 15%</p> <p>Operator Training - 10%</p> <p>Meeting Key Performance Indicators & Targets - 10%</p> <p>Health & Safety - 10%</p> <p>Risk Register - 10%</p> <p>Environment and Sustainability - 5%</p> <p>Fair Work Practice - 5%</p>	
Evaluation Team	Three Council Officers from Edinburgh Road Services	

Appendix 2 – Suppliers Recommended for Award and Ranking

Lot 1 – Road Planers – Item: 1.0 Meter Road Planer

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
John McGeady Ltd	40.00	55.06	95.06	1
Willsweep Limited	30.50	60.00	90.50	2
Markon Limited	39.50	47.63	87.13	3

Lot 1 – Road Planers – Item: 0.35 Meter Road Planer + Brush

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	30.50	60.00	90.50	1
Markon Limited	39.50	45.89	85.39	2
John McGeady Ltd	40.00	42.62	82.62	3

Lot 2 – Road Sweepers

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60	92.00	1
NWH Group Limited	35.50	34.50	70.00	2
John McGeady Ltd	37.00	24.98	61.98	3
WM Hamilton & Sons Limited	34.00	22.48	56.48	4
E & J Douglas & Sons Ltd	25.50	23.66	49.16	5

Lot 3 – Road Lorries – Item: 8x4 Tipper Standard

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60.00	92.00	1
NWH Group Limited	29.50	46.70	76.20	2
E & J Douglas & Sons Ltd	24.00	34.72	58.72	3

Lot 3 – Road Lorries – Item: 8x4 Tipper Insulated

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60.00	92.00	1
E & J Douglas & Sons Ltd	25.50	34.41	59.91	2

Lot 3 – Road Lorries – Item: 8x4 Tipper with Clamshell Bucket

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
NWH Group Limited	31.00	60.00	91.00	1

Lot 4 – Gritter Vehicles

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	32.00	60.00	92.00	1

Lot 5 – Hi-Ab Cranes

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
A Williamson Haulage Limited	35.00	58.64	93.64	1
Jarvie Plant Limited	39.00	48.75	87.75	2
RD Anderson Haulage Limited	23.50	60.00	83.50	3
Galt Transport Limited	37.50	31.30	68.80	4

Lot 6 – Lowloaders

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
Willsweep Limited	30.50	60.00	90.50	1
A Williamson Haulage Limited	35.00	54.86	89.86	2
Jarvie Plant Limited	38.50	45.84	84.34	3
NWH Group	35.50	43.97	79.47	4
E & J Douglas & Sons Ltd	25.50	50.47	75.97	5

Lot 7 – Road Finishers

Supplier	Quality Score (out of 40%)	Cost score (out of 60%)	Final Score (out of 100%)	Rank
John McGeady Ltd	40.00	55.60	95.60	1
DR Plant Hire Limited	23.50	60.00	83.50	2
Hillhouse Quarry Group Limited	37.50	45.43	82.93	3