

Finance and Resources Committee

10.00am, Thursday, 4 March 2021

Contract Award Recommendation Report in respect of Supply and Distribution of Janitorial Products

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 The Finance and Resources Committee is recommended to:
- 1.2 Approve the award of the contract in respect of the Supply and Distribution of Janitorial Products to Instock Limited; and,
- 1.3 Approve the commencement of the contract, on 22 March 2021, for a period of three years with the option to extend for a further 12-month period, at a total estimated cost of £3.6m.

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Executive Director of Resources

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Report

Contract Award Recommendation of the Supply and Distribution of Janitorial Products

2. Executive Summary

- 2.1 This report seeks approval to award the contract for the Supply and Distribution of Janitorial Products to Instock Limited to commence on 22 March 2021 for an initial period of three years with the option to extend for a further 12-month period.

3. Background

- 3.1 The Council has a requirement for a wide range of janitorial products for use throughout the operational estate with the largest demand being across the education estate.
- 3.2 Current arrangements for janitorial products are from a range of suppliers and therefore the decision was taken to consolidate and undertake a mini competition on the Scotland Excel (SXL) Framework Agreement 12-18 for the Supply and Delivery of Janitorial Products. This SXL framework includes the option to utilise the lot for a one-stop shop which provides the option of contracting with a sole supplier to meet the Council's janitorial requirements.
- 3.3 The contract will provide the Council with a mechanism to procure a range of janitorial products, including but not limited to, paper-towels, toilet rolls, cleaning chemicals, hand-soap, refuse sacks and cleaning equipment such as mops and buckets.
- 3.4 The purpose of this report to confirm the outcome of the mini tender and seek authority to award the contract to the successful bidder.

4. Main report

- 4.1 Due to the requirement to appoint a suitably qualified and experienced supplier for the supply and delivery of janitorial products, Commercial and Procurement Services conducted a mini competition on the SXL Framework Agreement 12-18 for the Supply and Delivery of Janitorial Products.

4.2 The SXL framework was split into four lots as shown in Figure 1 below:

Figure 1: Lotting Structure

Lot No	Description
1	Paper Products
2	Janitorial Products
3	Chemical Products
4	One-Stop-Shop-Lot

4.3 After considering all options, the mini competition was published to all seven suppliers on Lot 4 One-Stop-Shop as this was deemed to provide the additional benefit of reducing carbon emissions across the City by having one delivery of all products ordered as opposed to a number of deliveries by multiple suppliers. In turn this provides the supplier with scale as well as helping reduce costs which will also reduce the internal resource on contract administration and management.

4.4 Extensive work was carried out by Commercial and Procurement Services and Property and Facilities Management to reduce and consolidate the catalogue and define the Council's core list. This strategy was developed to drive savings from using less non-core purchases and the contract manager will oversee any requests for items to be added to the core list.

4.5 In line with the framework requirements, all seven suppliers were invited to tender on the Public Contracts Scotland portal. Prior to their appointment on the SXL framework, all suppliers were pre-vetted to ensure that they satisfied the requirements necessary for the delivery of these goods, including questions on insurance, financial standing, quality management, health and safety and environmental management.

4.6 Tenders were evaluated based on the Most Economically Advantageous Tender (MEAT). The weightings applied were as per the terms of the framework:

Technical 18%

The Technical award Criteria measured aspects, defined by the Council, which are detailed in Figure two:

Figure 2: Technical Scoring

Criteria	Weighting %
Delivery of the Contract	35
Performance Management	15
Complaints Procedure	5
The Environment	15
Community Benefits	10
Business Continuity	10
Fair Work Practices	10
TOTAL	100%

Commercial 82%

- 4.7 Bidders were invited to offer a net delivered price for each of the products in a basket of goods for all categories (janitorial, chemicals and paper) which would be multiplied by the total estimated volumes to provide the overall bid total offer price.
- 4.8 The recommendation for award of this contract is based on the completed evaluation scores in the following table:

TENDERER	Price (max 82%)	Technical (max 18%)	TOTAL
Instock Limited	81.72	16.43	98.14
Tenderer 2	82.00	13.95	95.95
Tenderer 3	78.55	12.83	91.37
Tenderer 4	71.52	12.60	84.12

5. Next Steps

- 5.1 Subject to approval, the contract will be awarded, implemented and mobilised. The contract manager will liaise with the supplier to create a bespoke catalogue for the contracted items to be purchased via Oracle.

- 5.2 The Contracts and Grants Management team (CAGM) will engage with the contract manager to ensure that effective contract management is delivered throughout the contract lifecycle as detailed in the Contract Management and Handover Report. All efficiencies identified in the procurement process should be delivered by the service area through proactive supplier engagement and monitoring of management information.

6. Financial impact

- 6.1 A benchmarking exercise was conducted on the basket of goods, that the tenderers submitted pricing for, comparing current prices against the new contract pricing submitted by Instock Limited. The result of this benchmarking demonstrated savings of 18.1%. Actual costs/savings are largely dependent on the order quantities and type of product ordered which will be monitored by the contract manager.
- 6.2 The prices are fixed for the first 24 months of the contract as part of the tender. Pricing will be renegotiated with the supplier thereafter for any subsequent years
- 6.3 The costs associated with procuring this contract are estimated at up to £10,000.

7. Stakeholder/Community Impact

- 7.1 This requirement is necessary to fulfil services and provide a consistent level of professionalism by ensuring that identified Janitorial products outlined in the scope are delivered consistently across all Council Services. This is of significant importance during the current pandemic.
- 7.2 Following consideration of the Integrated impact Assessment (IIA), it was agreed that there is no impact to the Council's specific public sector equality duties as none have been identified.
- 7.3 During the term of this contract the contract manager will work with Instock Limited to reduce the amount of non-recyclable packaging and promote re-usable versus single use packaging. Additionally, delivery routes and volume of stock transfer will be mutually agreed to minimise distances travelled.
- 7.4 The supplier has confirmed their commitment to offer community benefits from the community benefits menu within the tender document. Community benefits points will be accrued dependent on the level of spend. The Council will have the option to request that specific community benefits are delivered by Instock Limited such as:
- Community Projects, Social Inclusion and Wellbeing Activity: such as donation of goods, equipment or time and expertise including support for local recreation, arts and sports events and improvements to local environment or local facilities; and,

- Mentoring and educational support: such as school visits, careers events, mentoring a young person, awareness days or workshops, sponsoring local events.

7.5 Instock Limited, whilst not presently accredited, have demonstrated an understanding of fair pay and have a policy in place to ensure fair working practices throughout their supply chain. They have stated that they do not use zero-hour contracts.

8. Background reading/external references

8.1 Not applicable.

9. Appendices

9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Supply and Delivery of Janitorial Products		
Contract Period	Three years with the option to extend for a further 12 months.		
Estimated Aggregate Contract Value (including extensions)	£3.6m		
Procurement Route Chosen	Mini Competition utilising Lot 4 One-Stop-Shop of the Scotland Excel 12-18 Supply and Delivery of Janitorial Products		
Tenders Returned	4		
Recommended supplier	Instock Limited		
Price / Quality Split	Price 82	Quality 18	
Cost/Quality Rationale	<p>The weightings were agreed within the SXL strategy and meetings with the User Intelligence Group (UIG).</p> <p>There was a set of Qualification Questions to ensure the suppliers appointed to the framework were suitably qualified. On that basis the weightings were set at the cost: quality ratio of 82:18.</p>		
Quality Split Breakdown (18%)	Criteria		Weighting
	M1	Business Continuity – COVID 19 Supplementary Information	For Information Only
	M2	Zero Hours Contracts and the Living Wage	For Information Only
	M3	Resource Efficient Scotland Pledge	For Information Only
	M4	Ability to Transact	For Information Only
	Q1	Delivery of the Contract	35

	Q2	Performance Management	15
	Q3	Complaints Procedure	5
	Q4	The Environment	15
	Q5	Community Benefits	10
	Q6	Business Continuity	10
	Q7	Fair Work Practices	10
Evaluation Team	Representatives from Property and Facilities Management.		
Procurement Costs	Up to £10,000		