

Finance & Budget Committee

10am, Thursday, 6 June 2013

Proposal to approve adoption of the Scotland Excel Framework Agreements for the Supply of Educational Materials for the period 7 June 2013 to 31 March 2017

Item number	7.7
Report number	
Wards	All

Links

Coalition pledges	P5
Council outcomes	CO2
Single Outcome Agreement	SO3

Gillian Tee

Director of Children & Families

Contact: Ron Waddell, DSM & School Support Manager

E-mail: ron.waddell@edinburgh.gov.uk | Tel: 0131 469 3137

Executive summary

Proposal to approve adoption of the Scotland Excel Framework Agreements for the Supply of Educational Materials for the period 7th June 2013 to 31st March 2017

Summary

The City of Edinburgh Council utilised frameworks for the supply and delivery of classroom activity materials, early learning materials, exercise books, musical instruments, science equipment and sports equipment which expired on 31st March 2013.

As there was no Finance & Budget Committee until 6th June 2013, Director approval was sought from the Director of Children and Families for a short term adoption from 1st April 2013 to 6th June 2013 in order that:

1. Savings opportunities are not missed.
2. Contracted suppliers are put in place for Education users.
3. The Council will have a route to market that is compliant with EU Regulations.

In consultation with the Scotland Excel User Intelligence Group it was agreed that combining the 6 existing frameworks and introducing bespoke homework dairies, gymnastic mats and board, card & drawing paper would reduce the cost, time and resources associated with managing multiple framework Agreements.

Recommendations

1. It is recommended that the Finance and Budget Committee approves the adoption of the Scotland Excel Framework for the Supply and Delivery of Educational Materials for the period 7 June 2013 to 31 March 2017. It is asked to note that this award has an estimated total cost of £4.6m with an approximate total saving of £299k over 46 months.

2. It is recommended that the lots are awarded as per the table below as this will offer best value to educational establishments and the City of Edinburgh Council.

Lot No	Description	Recommended Supplier
1	Art & Craft Materials	Findel Education Ltd
2	Bespoke Homework Diaries	Office Team Ltd
3	Board, Card & Drawing Paper	Findel Education Ltd / W Enterprises (Aberdeen Ltd)
4	Early Learning Materials	Findel Education Ltd
5	Exercise Books	Findel Education Ltd
6	Gymnastic Mats	Cardinal Sports
7	Musical Instruments	Haydock Music / Band Supplies Ltd / Dawsons Music Ltd / Stringers of Edinburgh / The Wind Section
8	Science Equipment	Findel Education Ltd / Scientific & Chemical
9	Sports Equipment	Findel Education Ltd

Measures of success

Savings

- The new framework pricing has been measured against the previous frameworks and an estimated saving of 6.5% (£78k per annum) is forecast for Edinburgh Council assuming contract compliance.
- Further rebates can be obtained from suppliers through e-Invoicing, early settlement discounts, retrospective rebates, non-core rebates and minimum order rebates are offered which are being explored with a view to implementation with applicable suppliers within 2013.

Price Stability

- The recommended suppliers have agreed to hold their prices until 31 March 2014, with applicable discount structures fixed for the duration of the contract. Any request for price increases will be considered in accordance with these timescales and evaluated against prevailing market conditions.

Financial impact

Base Savings

- The new framework pricing has been measured against the previous frameworks and an estimated saving of 6.5% is forecast for Edinburgh Council assuming contract compliance from users.

Rebates

- The 6 lots which have been recommended for Findel Education amount to over 75% of the Councils educational materials spend, this entitles the Council to a retrospective 3% rebate (up to 4% if 95% can be achieved) if users are compliant with the contract;
- Further rebates can be obtained from suppliers through e-Invoicing (which we are currently testing within our Purchasing System), early settlement discounts, non-core rebates and minimum order rebates which are currently being investigated.

Equalities impact

There is no relationship to the public sector general equality duty to the matters described in this report and no direct equalities impact arising from this report.

Sustainability impact

Environmental Policy

- Suppliers were required to confirm that they have an Environmental Policy. Vehicle emissions with regards to the transportation and delivery of educational materials were assessed. Suppliers were also assessed with regards to recycling and re-use initiatives that included packaging. All suppliers within lot 8 have the facility to dispose of school laboratory chemicals and in order to facilitate this service the supplier or their nominated sub contractor will have a Scottish Environmental and Protection Agency (SEPA) License to ensure a safe and environmental disposal.

Timber Procurement Policy

- The tender also includes the statement that all paper, wood and wood derived products must be compliant with UK Government timber procurement policy. The policy is mandatory for all Central Government Departments, Executive Agencies and Non Departmental Public Bodies, Local authorities and other public bodies. Should Councils wish to purchase ethically sourced/fair-trade products then suppliers must make these available to them.

Consultation and engagement

Scotland Excel consulted with all Scottish Local Authorities and other Public Sector organisations during this exercise. The Council provided support with attendance to the User Intelligence Group meetings.

Background reading / external references

None

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1. Background

- 1.1 The City of Edinburgh Council utilised frameworks for the supply and delivery of classroom activity materials, early learning materials, exercise books, musical instruments, science equipment and sports equipment which expired on 31st March 2013.
- 1.2 As there was no Finance & Budget Committee until 6th June 2013, Director approval was sought from the Director of Children and Families for a short term adoption from 1st April 2013 to 6th June 2013 in order that:
 - Savings opportunities are not missed.
 - Contracted suppliers are put in place for Education users.
 - The Council will have a route to market that is compliant with EU Regulations.
- 1.3 In consultation with the Scotland Excel User Intelligence Group it was agreed that combining the 6 existing frameworks and introducing bespoke homework diaries, gymnastic mats and board, card & drawing paper would reduce the cost, time and resources associated with managing multiple frameworks.

2. Main report

- 2.1 Scotland Excel in collaboration with a User Intelligence Group (made up of Local Authorities etc.) formed a working group consisting of technical and procurement representatives to further develop the tender and technical specifications for this framework.
- 2.2 An Open 2-stage OJEU process was carried out by Scotland Excel, with a combined value of £17.4 million per annum, equating to £70m over the term of the Framework. Thirty-four fully compliant tenders were returned and evaluated

by the evaluation team, comprising of Scotland Excel and Local Authority members with twenty-five suppliers shown to offer best value.

- 2.3 To ensure that the framework was awarded to the most capable suppliers, the UIG agreed that a 2 stage tendering process should be used. At the first stage, bidders were assessed on financial capability, technical/professional capability and business probity. At the second stage of the process, the offers were evaluated against the following criteria and weightings – Technical - 15% & Commercial - 85%
- 2.4 Bidders were invited to offer on a lot by lot basis with fixed pricing for 12 months for core items as well as a fixed percentage discounts against their catalogue list price for each lot. This will provide educational establishments' access to a 9 lot Framework covering the following:

Lot No	Description
1	Art & Craft Materials
2	Bespoke Homework Diaries
3	Board, Card & Drawing Paper
4	Early Learning Materials
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7	Musical Instruments
8	Science Equipment
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- 2.5 There are 25 successful suppliers on this framework, however following a benchmarking exercise and in consultation with Children & Families staff at centre and in schools, the optimal approach is to award to the suppliers listed in the recommendations below.
- 2.6 This Framework award has an approximate total value of £4.6m over the period of 46 months, if users show compliance. This is based on a 6.5% saving resulting in an estimated saving of £299k from the previous contractual spend of £4.9m.

3. Recommendations

- 3.1 It is recommended that the Finance and Budget Committee approves the adoption of the Scotland Excel Framework for the Supply and Delivery of Educational Materials for the period 7 June to 31 March 2017. It is asked to note that this award has an estimated total cost of £4.6m with an approximate total saving of £299k over 46 months.

3.2 It is recommended that the lots are awarded as per the table below as this will offer best value to educational establishments and the City of Edinburgh Council.

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Links

Coalition pledges	P5. Seek to ensure the smooth introduction of the Curriculum for Excellence and that management structures within our schools support the new curriculum
Council outcomes	CO2. Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities
Single Outcome Agreement	SO3. Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	1 - Summary of Tendering and Tender Evaluation Processes

Appendix I - Summary of Tendering and Tender Evaluation Processes

Contract	Educational Materials
Contract period	Up to 31 March 2017
Estimated contract value	£4.6m
Governing UK Regulation	Public Contracts (Scotland) Regulations 2012
Standing Orders observed	2.4
Governing EC Directives	Directive 2004/18/EC of the European parliament
EC Procedure chosen	Open procedure (electronic)
Tenders returned	35
Tenders fully compliant	34
No. of recommended suppliers	25
Primary criterion	Most economically advantageous offer
Secondary criteria	Commercial (85%)
	Technical (15%)
Evaluation Team	Scotland Excel and Local Authority Staff