

SCOTTISH POLICE  
AUTHORITY

<b>Meeting</b>	<b>Public SPA Board</b>
<b>Date</b>	<b>25 August 2016</b>
<b>Location</b>	<b>Stirling Court Hotel, Stirling</b>
<b>Title of Paper:</b>	<b>Award of Contract for the Supply &amp; Delivery of Vehicle Component Parts</b>
<b>Item Number</b>	<b>12.4</b>
<b>Presented By</b>	<b>Colette Sherry, Head of Commercial Services, Police Scotland</b>
<b>Recommendation to Members</b>	<b>For Approval</b>
<b>Appendix Attached:</b>	<b>No</b>

**PURPOSE**

This paper is submitted to the SPA Board following approval by the Finance & Investment Committee on 9 August 2016.

To invite members to:

1. Approve the award of a Contract for the Supply and Delivery of Vehicle Component Parts for the initial period 30th September 2016 to 29 September 2018 with the option to extend for an additional two, one (1) year periods, making a potential total of four years and taking the final expiry date to 29 September 2020 with an estimated contract value of £1.4m (ex VAT).

This paper is presented in accordance with the Police Scotland Standing Orders Relating to Contracts.

## 1. BACKGROUND

- 1.1 The Police Scotland Fleet Department has a requirement for the supply and delivery of vehicle component parts to its workshop locations across Scotland to facilitate the maintenance of the Police Scotland fleet.
- 1.2 In accordance with The Public Contracts (Scotland) Regulations 2012, a tendering process commenced with an advertisement to the Public Contracts Scotland web portal, inviting firms to download, complete and return an Invitation to Tender (ITT) for the Supply and Delivery of Vehicle Component Parts. The Contract Notice was published on 15 April 2016 with a tender submission deadline of 31 May 2016.
- 1.3 Of the twenty four firms who noted an interest on the Public Contracts Scotland web portal five firms returned completed tender submissions. Four of these firms satisfied the Economic and Financial Standing/Technical Ability requirements specified within the ITT document. These were Dingbro Limited, Euro Car Parts Limited, TVS Supply Chain Solutions and Douglas Park Motors Limited. Kerr and Smith Limited failed to submit a compliant bid.
- 1.4 The offers were evaluated by Corporate Procurement and an Evaluation Team consisting of, members of the Fleet Department and in accordance with the award criteria detailed in the Invitation to Tender, that is the most economically advantageous tender having regard to:

Criteria	Weighting
<b>Price</b>	<b>60%</b>
Pricing Schedule	45%
Parts discount	15%
<b>Quality</b>	<b>40%</b>
Infrastructure and processes to support required delivery timescales	20%
Supporting of orders for non-stock component parts	5%
Electronic Information System	10%
Corporate Social Responsibility	5%
<b>TOTAL</b>	<b>100%</b>

## 2. FURTHER DETAIL ON REPORT TOPIC

- 2.1 The Quality element weighting for this contract was 40%. The evaluation was made up of both Pass/Fail questions for mandatory requirements and marked questions for desirable requirements.
- 2.2 The total price weighting for this contract was 60% and this was split with 45% against a basket of parts weighted by the percentage of vehicles of that type in Police Scotland's Fleet. Additionally 15% was against the percentage discount offered for all Parts broken down by type that fall out with the aforementioned basket broken down by category i.e. Brakes, Suspension, Clutch, Filters and Batteries.
- 2.3 Having evaluated the offers in accordance with the published award criteria detailed in table 1 above, details of the total scores awarded as a for each firm are as follows:

Firm	Total Evaluation Score / Rank
Dingbro Ltd	97.51
Euro Car Parts Ltd	2nd
TVS Supply Chain Solutions	3rd
Douglas Park Motors Ltd	4th

- 2.4 The offer from Dingbro Ltd, Glasgow, represents the most economically advantageous tender received in respect of the supply and delivery of vehicle component parts.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The total estimated value of the Contract is £731,514 (ex VAT) for the Supply and Delivery of Vehicle Component Parts for the period 30th September 2016 until the 29th September 2018. Should the option to extend the contract for a further two one year periods be actioned the total estimated value would then be £1.46m (ex VAT) and provision has been made in the Fleet budget.
- 3.2 The recommended tenderer's total cost of the basket of parts is 26% lower than the current price paid for these same parts. When applied to the total Fleet annual spend of £494,266 for this requirement this shows a potential saving in region of £128,509 per annum. Should both extensions be taken up this would equate to a total saving over four years in the region of £514,037.
- 3.3 In addition to this, the parts discount offered on parts out with the basket of commonly used parts referenced above has increased from the previous Legacy contract from an average of 27.7% to a new average of 50.6%.
- 3.4 An award to a single supplier for Police Scotland offers opportunities to stream line how this service is provided, produce economies of scale and efficiency savings. It could potentially provide opportunities to reduce the number of invoices received for this service.
- 3.5 It was identified in the strategy that ensuring best value pricing for this requirement would be challenging due to the global market fluctuations in the vehicle parts pricing. As a means of ensuring that Police Scotland would always achieve the best value price for parts bought under this contract a term was included that reserves the right to monitor the market for the price, quality and value of the goods detailed it purchases and where it is found that Goods of like quality and specification are available at lower prices than those currently available through the Contract, the Contractor shall be required to review its prices and should the SPA not be satisfied with the Contractor's response, the SPA reserves the right to determine the contract in respect of some or all of the goods available.

#### **4. PERSONNEL IMPLICATIONS**

- 4.1 There are no specific personnel / TUPE implications as a result of this recommendation.

#### **5. LEGAL IMPLICATIONS**

- 5.1 This procurement was performed in compliance with The Public Contracts (Scotland) Regulations 2012 and the Police and Fire Reform (Scotland) Act 2012.

#### **6. REPUTATIONAL IMPLICATIONS**

- 6.1 There are no specific reputational implications as a result of this recommendation.

#### **7. SOCIAL IMPLICATIONS**

- 7.1 The ability to comply with Health and Safety at Work etc. Act 1974 (and any amendments thereto), any and all relevant Safety Legislation, Regulations and environmental requirements (whether of a statutory or other nature) and any regulations of the SPA relevant to the Premises to which the Goods are being delivered and/or from which the Services are being provided was a compulsory requirement.
- 7.2 The specification for this requirement requested that the successful Contractors policies and processes will support the Scottish Ministers 'Greener Scotland' strategic objective including: a proactive approach to sustainable consumption and the efficient use of resources; consideration given to social and environmental consequences; policies which ensure that business activities have a direct positive impact on climate change and energy; and policies which encourage natural resource protection and environmental enhancement.
- 7.3 The Contractor must also take a positive approach to workforce-related matters as part of a fair and equitable employment and reward package. The Authority will monitor progress of the Contractor's approach to workforce related matters throughout the period of the contract. The Contractor is required to encourage a positive approach to work-force related matters by their sub-contractors and to monitor and report progress back to the Authority.

7.4 Tenders were marked on their organisations approach towards:

- (i) a pay policy that includes a commitment to supporting the living wage for the duration of this parliament;
- (ii) fair employment practices;
- (iii) Clear managerial responsibility to nurture talent and help individuals fulfil their potential;
- (iv) a strong commitment to Modern Apprenticeships and to the development of Scotland's young workforce;
- (v) support for learning and development;
- (vi) no inappropriate use of zero hours contracts;
- (vii) flexible working;
- (viii) Flexi-time and career breaks.

## **8. COMMUNITY IMPACT**

8.1 There are no community implications as a result of this recommendation.

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no specific equalities implications as a result of this recommendation.

## **10. ENVIRONMENT IMPLICATIONS**

10.1 Tenderers were marked on their ability to:

- i) Monitor the emissions of delivery vehicles either through the vehicle age and/or emission levels.
- ii) Use fuel from renewable sources.
- iii) Use an authorised waste management organisation for waste oil and tyres.
- iv) Use low rolling resistance tyres.
- v) Use or have plans to use fuel efficient or Hybrid cars.
- vi) Have a company Environmental Policy.
- vii) Have a Carbon Management policy for company properties.
- viii) Recycle or reuse packaging.
- ix) Have a replacement policy regarding vehicles.
- x) Actively try to reduce the carbon footprint of the Business.

## RECOMMENDATIONS

Members are invited to:

- (i) Approve the award of a Contract for the Supply and Delivery of Vehicle Component Parts with the estimated total sum of £1.4m (ex VAT) for the initial period 30th September 2016 to 29 September 2018 with the option to extend for an additional two, one (1) year periods, in total four years with a final expiry date 29 September 2020.
- (ii) Subject to approval from SPA, and as part of service provision to the Authority by police staff permitted under section 83 (2) of the Police and Fire Reform (Scotland) Act 2012, to instruct Procurement staff within Police Scotland to prepare contract documentation for the contract period, to present this documentation for review and signature by the Accountable Officer and subsequently issue on behalf of the Authority.