



Subway: Award of Framework for Supply of Electrical Materials

Date of meeting 23 June 2017

Date of report 1 June 2017

Report by Senior Director

1. Object of report

To recommend the Partnership approve the award of a framework for the supply of electrical materials to the Glasgow Subway

2. Background

Operational context

The existing subway system, particularly the trains, requires a number of electrical components and cabling to be replaced on an on-going basis. Due to the fleet profile and its current asset condition, these requirements can be sporadic and often quite urgent in nature. Historically, this has led to the use of several electrical wholesalers to provide the materials, which has created challenges in ensuring quality control and obtaining the best price.

Whilst acknowledging some of these historical challenges, a revised approach has been taken on how these materials are sourced. A new framework approach is now proposed that provides not only the quality control and flexibility but improved cost certainty and ultimately the best value approach.

3. Outline of proposals

3.1 Procurement strategy

The historical usage figures were examined together with an estimate of future consumption. This allowed for an overall estimate of costs as well as consideration of how the framework should be structured. The overall consumption over a 4 year period was estimated to be circa £300,000 with the framework divided into four lots, as summarised in the following table:

Category (lot)
Lot 1: Electronic Components and Power supplies (e.g. control systems power supplies)
Lot 2: Electrical Installation Cabling and Accessories (e.g. switches and cabling)
Lot 3: Automation and Electrical Control Gear (e.g. motor control relays and protection equipment)
Lot 4: Lighting (e.g. tunnel lighting lamps)

This lotting strategy was chosen in order to encourage SME providers to bid. This is fulfilling one of our objectives set within the Procurement Reform Act 2014 to promote small businesses and encourage sustainable employment.

3.2 Tender assessment

An Invitation to Tender (ITT) for a framework agreement was subsequently issued with the objective of appointing a single contractor for each lot.

This tender was based on a “typical” materials list, however SPT retain the flexibility to upscale or remove items from this list as different requirements occur.

The tender approach was an “open” procurement process to maximise market engagement.

The Price/Quality ratio was 70/30, however as quality was important there was a pass mark set on the quality, only those achieving or surpassing this score would be considered. This evaluation method, in effect ensured our quality standards were met, whilst still maintaining a focus on best value.

The call off mechanism from these framework agreements would consist of orders being raised through the financial management system, and each order being approved within the delegated authority levels for the value. It is envisaged that the orders may be frequent and of low monetary value.

3.3 Tender assessment results

Seven proposals were received on 21 January 2017 across the four lots from the following organisations:

- City Electrical Factors Ltd
- Edmundson Electrical Ltd
- Grafton Merchanting GB
- Rexel UK Limited
- RS Components
- Stearn Electric Co Ltd
- Your Electrical Supplies, Services and Solutions Ltd

3.4 Combined quality and price score

The seven companies bid across the four lots and following an initial assessment against the minimum quality pass mark, the compliant bids were assessed as follows:

Lot 1

Supplier name	Quality score	Price Score	Total Price + Quality	Ranking
Rexel UK Limited	30	70	100	1
Your Electrical Supplies, Services and Solutions Ltd	26	63	89	2
Edmundson	17	38	55	3

Lot 2

Supplier name	Quality score	Price Score	Total Price + Quality	Ranking
Your Electrical Supplies, Services and Solutions Ltd	26	67	93	1
Edmundson	19	70	89	2
City Electrical	30	33	63	3

Lot 3

Supplier name	Quality score	Price Score	Total Price + Quality	Ranking
Rexel UK Limited	30	70	100	1
Edmundson	19	55	74	2
Your Electrical Supplies, Services and Solutions Ltd	26	40	66	3
City Electrical	30	18	48	4

Lot 4

Supplier name	Quality score	Price Score	Total Price + Quality	Ranking
Rexel UK Limited	30	70	100	1
Edmundson	19	60	79	2
City Electrical	30	42	72	3
Your Electrical Supplies, Services and Solutions Ltd	26	36	62	4

4. Conclusion

The tender submissions for the lots were assessed in line with the pre-determined quality and cost criteria with results as follows:

- Lot 1: Electronic Components and Power supplies (Rexel UK Limited)
- Lot 2: Electrical Installation Cabling and Accessories (Your Electrical Supplies, Services and Solutions Ltd)
- Lot 3: Automation and Electrical Control Gear. (Rexel UK Limited)
- Lot 4: Lighting. (Rexel UK Limited)

5. Partnership action

The Partnership is recommended to:

- approve the award of a framework agreement to 'Rexel UK Limited.' for the supply of materials in the following areas:
 - Lot 1: Electronic Components and Power supplies
 - Lot 3: Automation and Electrical Control Gear
 - Lot 4: Lighting

- approve the award of a framework agreement to 'Your Electrical Supplies Services and Solutions Ltd,' for the supply of materials in the following area:
 - Lot 2: Electrical Installation Cabling and Accessories

6. Consequences

Policy consequences	<i>None Identified.</i>
Legal consequences	<i>None Identified.</i>
Financial consequences	<i>Estimated costs for electrical materials are contained within the subway revenue budget.</i>
Personnel consequences	<i>None Identified.</i>
Equalities consequences	<i>None Identified.</i>
Risk consequences	<i>None identified.</i>

Name Charles Hoskins
Title Senior Director

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Title Chief Executive

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