

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 15 JANUARY 2009

REPORT BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES

VENDING TENDER REPORT

Abstract: Report on vending tenders received and recommendation of acceptance
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1. RECOMMENDATION

- 1.1 It is recommended that the Committee approve the acceptance of the highest tender from Myrtle Coffee Services for the provision of a vending operation, with payback, across a number of Angus Council facilities.

2. BACKGROUND

- 2.1 The current tender for the vending services has been extended until the 31 March 2009 to allow the current invitation to tender process to be concluded.

The tenders were issued with a return date of no later than 12 noon on Friday 26 September 2008.

The tender will be for an initial 12 month period and shall be eligible for renewal annually by mutual consent for a maximum of a further 2 years.

It is anticipated that this tender will operate from 1 April 2009.

3. CURRENT POSITION

- 3.1 The opportunity was adequately publicised on the internet. 10 invitations to tender were issued and the tenders received for the vending contract and after checking, are as follows :

Contractor	Tender amount	Corrected amount
Automatic Retailing	No tender	N/A
Ideal Services Ltd.	£24,762.99	£24,762.99
Autobar Vending	No tender	N/A
Selecta	No tender (received late)	N/A
Norscott Vending Services	£17,489.31	£17,489.31
Myrtle Coffee Services	£60,775 – with food £63,972 – with no food	£77,306.51
Autobar UK South	£57,703	£63,553.00
East Coast Refreshments	£54,378.14	£54,378.14
Vending Scotland Ltd.	£21,915.21	£21,879.18

- 3.2 The financial robustness of the top 2 tenderers, Autobar UK (South) and Myrtle Coffee Services have been checked by Finance officers using information obtained through an external agency, Equifax. There were no issues raised as a result of these checks.
- 3.3 It should be noted that the extension and the current tender exercise were carried out following consideration of use of the Scotland Excel vending provision. This did not meet

Angus Council's current requirements because it did not match the current council model of vendor payment to the authority with royalty payment per vend. However, now that current pricing on the council model is in place, a benchmarking exercise will be undertaken to verify which model presents the council with best value. This will inform whether or not the extension options are exercised and Scotland Excel / Tayside Procurement Consortium partners will be included in the process.

4. FINANCIAL IMPLICATIONS

- 4.1 The estimated income value of the tender was above £40,000 with the top 3 tender returns being in excess of this.
- 4.2 The recommended operator, Myrtle Coffee Services, will provide an increased income stream to the Neighbourhood Services Sports Trading Account in comparison to that of the present operation, which yielded £31,000 in 2007/08.

5. HUMAN RIGHTS IMPLICATIONS

- 5.1 There are no Human Rights issues associated with this report.

6. CONSULTATION

- 6.1 The Chief Executive, the Director of Corporate Services, the Head of Finance and the Head of Law and Administration have been consulted in the preparation of this report.

7. EQUALITIES IMPLICATIONS

- 7.1 The issues dealt within this report have been the subject of consideration from the equalities perspective (as required by the legislation). An equalities impact assessment is not required.

**RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES**

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above Report.

Community/NS/JRZ/AW