



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

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Item 7

7th August 2025

**The Leasing, Installation, Repair and Maintenance of
Hot Beverage Machines and Supply of Hot Beverages Consumables**

Tender Reference :- GCC006372CPU

Purpose of Report:

To submit details of the tenders received for the leasing, installation, repair and maintenance of hot beverage machines and the supply of consumables and to recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the leasing, installation, repair and maintenance of hot beverage machines and the supply of hot beverage consumables to the supplier listed below.

Matthew Algie & Company Limited
Companies House Number – SC028433

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background and Tender

- 1.1 Glasgow City Council's ("the council's") annual budget for the leasing, installation, repair and maintenance of hot beverage machines and the supply of hot beverage consumables is £371,671.
- 1.2 The council currently leases 59 hot beverage machines with 39 located within secondary schools and 20 located within Encore Catering and Hospitality Services venues such as; the Glasgow Royal Concert Hall, City Halls and the Old Fruit market, Glasgow City Chambers, Mitchell Library, Tramway Theatre, Kelvingrove Art Gallery & Museum, Riverside Museum, Emirates Arena, Tollcross International Swimming Centre, Scotstoun Leisure Centre and four (4) leisure sites within Glasgow Life.
- 1.3 This contract will provide a range of hot beverage consumables, inclusive of fairtrade coffee beans and specialist teas.
- 1.4 In developing the sourcing strategy for this service requirement, it was identified that the market would only offer a maximum lease arrangement of 5 years, and the consumables products must be by the same source. At the end of the lease period there is an option for the council to purchase and own the machines or return them to the supplier.
- 1.5 A commodity team consisting of stakeholders from Financial Services' Catering and Facilities Management, Encore Catering and Hospitality, Education department and Corporate Procurement Unit was formed to develop the sourcing strategy and delivery a new contract.
- 1.6 As part of the pre market engagement a capability and capacity enquiry was issued, and 6 suppliers confirmed an expression of interest.
- 1.7 It was agreed that an Open tender procedure would be the most appropriate method to deliver this contract. The opportunity was advertised via UK Find a Tender Service and Public Contracts Scotland.
- 1.8 The duration of the contract is 4 years with the option to extend for a period of up to 15 months which includes a 3 month mobilisation/demobilisation period.
- 1.9 The contract will be mainly utilised by Encore Catering and Hospitality Services and the Education Department. It will also be utilised by Glasgow Life and Social Work Services

2 Evaluation

- 2.1 12 suppliers expressed an interest and 2 submitted a bid. Of the 10 suppliers that failed to respond, no reason was provided.

2.2 The award evaluation was based on the following criteria and weightings:

Price	Quality	Quality Sub Criteria
40%	60%	Service Delivery 36%
		Training 5%
		Maintenance and Annual PSSR 5%
		Sustainability 9%
		Fair Work First (including the Real Living Wage) 5%

2.3 The evaluation of award scoring and evaluation value of the supplier which has been recommended for award is shown in the table below:

Supplier	Total Evaluation Score	Value (per annum-estimated)	Rank
Matthew Algie & Company Limited (CH - SC028433)	95.2%	£244,474	1

2.4 The council was able to benchmark 93% of the tender products against the current pricing and have calculated an annual price increase of £54,978 (32%), totaling £288,634 over the contract duration. We were unable to benchmark 7% of the products covering an annual value of £17,721 with a total value of £93,035 which are new products to this tender.

3 Contract implementation and Supplier Management

3.1 The replacement for the existing 59 hot beverage machines will be undertaken over a 3 month period with a minimum installation of 2 machines per day to minimise downtime within venues. For Secondary schools this will be a 2 week installation programme.

3.2 The contract will also include training to all staff who will utilise the replacement equipment, this will be delivered in person following the completion of the installation. An online refresher course will also be available.

3.3 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as medium. The supplier will be monitored in line with our contract and supplier management process which includes tracking the supplier's performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.

3.4 The agreed community benefit outcome commitments will be monitored via Cenefits which is a web-based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

4 Policy and Resource Implications

Resource Implications:

Financial:

The estimated annual award value of £244,474, totaling £1,283,488 over the 5-year and 3 months duration of the contract, will be met by the service areas revenue budgets.

As set out in paragraph 2.4 the tender has resulted in an annual cost increase of £54,978 (32%), based on 93% of requirements.

The contract value is estimated and is based on historical and projected future demand.

The contract will be awarded based on the schedule of rates which are fixed for the first 12 months for consumables products and 5 years and 3 months for leasing of hot beverage machines.

Legal:

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract.

Personnel:

No direct personnel implications.

Procurement:

The procurement procedure was an open tender process as detailed in paragraph 1.7.

Council Strategic Plan:

This supports Grand Challenge 2.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25

Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

What are the potential equality impacts as a result of this report?

An EQIA was not required for this contract as there is no impact.

Please highlight if the policy/proposal will help address socio economic disadvantage.

Fair Work First was included as part of the award criteria with a weighting of 5%.

The supplier recommended for the award, Matthew Algie & Company Limited, has confirmed the following 6 policies within its tender submission.

- Payment of at least the Real Living Wage
- Provide appropriate channels for effective workers' voice
- Investment in workforce development
- No inappropriate use of zero hour contracts
- Offer flexible and family friendly working practices for all workers from day one of employment
- Oppose the use of fire and rehire practice

Community Benefit was included as part of the tender process. The supplier recommended for the award, Matthew Algie & Company Limited, has confirmed the following outcomes:

- 2 x MCR Pathways 1-2-1 Mentoring (or equivalent Programme)
- 2 x Work Experience Placement - Non School
- 16 x Qualifications
- 1 x Community Engagement - Non-Financial Support - [min. of 10 hrs.]

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes, climate plan action 3 & 45 is supported via this contract.
<https://glasgow.gov.uk/article/2389/Glasgow-s-Climate-Plan>

What are the potential climate impacts as a result of this proposal?

Contributing to the council's net zero target.

Will the proposal contribute to Glasgow's net zero carbon target?

- The key mitigations are as follows:

- Route planning software to ensure efficiency, monitor emissions of fleet vehicles, as this is a key decider for vehicle selection.
- Solar panels at our Glasgow roastery, and 98% of lightbulbs in our buildings are LEDs
- Aiming to have a 100% electric fleet by 2030 and 90% fossil fuel free transportation and logistics by 2040
- Being Net Zero by 2040
- Roadmap aims for supplier to be net zero across its own operations by 2035 and net zero across our entire value chain by 2040
- Aiming for 50% reduction in food waste by 2025
- 90% of coffee has at least one certification by 2025
- Aiming for 100% renewable energy by 2030
- Aiming for 100% recyclable coffee packaging by 2030

**Privacy and Data
Protection impacts:**

No data protection impacts identified.

5 Recommendations

The Contracts and Property Committee is requested to approve the award of a contract for leasing, installation, repair and maintenance of hot beverage machines and the supply of hot beverage consumables to the supplier listed below.

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Appendix A – Unsuccessful Supplier

Supplier	Total Evaluation Score	Rank
Coffee Conscience Limited	90.01%	2