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Scottish Procurement Buyer Guide

**Internet of Things - Dynamic
Purchasing System (DPS)**

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1. Foreword and acknowledgements

Scottish Procurement aims to deliver benefits to the people of Scotland through improved value for money for taxpayers, improved goods and services for all our citizens and economic opportunities for Scotland. This is achievable through effective collaboration throughout the procurement cycle.

Scottish Procurement would like to acknowledge the work, support and contribution from all sector representatives. Their input has helped to shape the direction of this Internet of Things (IoT) project to a successful outcome.

2. Introduction

This buyer guide aims to assist Scottish public sector bodies in selecting the most suitable and cost effective IoT technologies and services to suit their individual requirements from a range of suppliers. This document is designed to guide organisations through the selection process and provide confidence regarding the services purchased through this - Dynamic Purchasing System (DPS).

Scottish Procurement point of contact

David Box

david.box@gov.scot

Portfolio Manager, Scottish Procurement

The Scottish Government, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

Tel: 07919 014604

Lisa Pittman

lisa.pittman@gov.scot

Senior Portfolio Specialist, Scottish Procurement

The Scottish Government, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

Tel: 0141 242 5628

3. Aim of the DPS

IoT is an exciting new technology that can collect and exchange digital data to create value by collecting this information from physical objects (things) via sensors and network connectivity which can then use computer programmes & analytics to help make sense of the data, allowing timely decisions and actions to be taken.

The aim of the DPS is to provide a wide range of suppliers who can deliver IOT technologies and services requirements for Scottish public sector bodies.

In this context, Scottish Procurement has been working collaboratively with cross sectoral colleagues and key stakeholders in developing the DPS. The ambition for the DPS is to offer a straightforward, flexible and quick route to market for all Scottish public sector bodies and to have a proportionate entry barrier for IoT suppliers who meet the minimum criteria to gain entry.

4. Scope of the DPS

Due to the wide and diverse nature of IoT, it isn't possible to list all the types of technologies and services envisaged but some examples include:

Device Management - Software that enables manual and automated tasks to create, provision, configure, troubleshoot and manage fleets of IoT devices and gateways remotely, in bulk or individually, and securely.	Integration - Software, data, tools and technologies which will accomplish IoT related business functions within an organisation.
Data Management - Including ingesting IoT endpoint and edge device data, storing data from edge to enterprise platforms and providing data accessibility, tracking lineage and flow of data and enforcing data and analytics governance policies.	Analytics - Including processing of data streams to provide insights into asset state by monitoring use, providing indicators, tracking patterns and optimising asset use.
Subscription and Connectivity Management - Including subscription lifecycle management, stand-alone (on-demand) connectivity, interoperability and connectivity performance management.	Application enablement and management - Including software that enables business applications in any deployment model to analyse data and accomplish IoT-related business functions.
Security - Including software, devices, tools and practices facilitated to audit and ensure compliance, as well as to establish and execute preventive, detective and corrective controls and actions to ensure privacy and the security of data across an IoT solution.	IoT related hardware, eg. sensors, gateways, and on-premise infrastructure etc. IoT enablement (advice) and implementation services.

NOTE - This is not intended to be an exhaustive list of the services available through the DPS but provides a high level illustration of the range of potential services which may be requested.

5. DPS Overview

Scottish Procurement established the IoT DPS for an initial 24 month period. This has now been extended and runs from 6th September 2019 to 3rd March 2023. Call off contracts awarded via the DPS will have no constraints on their duration, meaning there will be no minimum/maximum call-off period.

6. What is a DPS?

A DPS is an electronic system of pre-qualified suppliers, for commonly used purchases which are generally available on the market, from which Scottish public sector bodies can invite tenders. As a procurement process, it has some aspects that are similar to a framework agreement, however, it is an electronic process and new suppliers can apply to join at any time during the period of the DPS.

7. How does a DPS Operate?

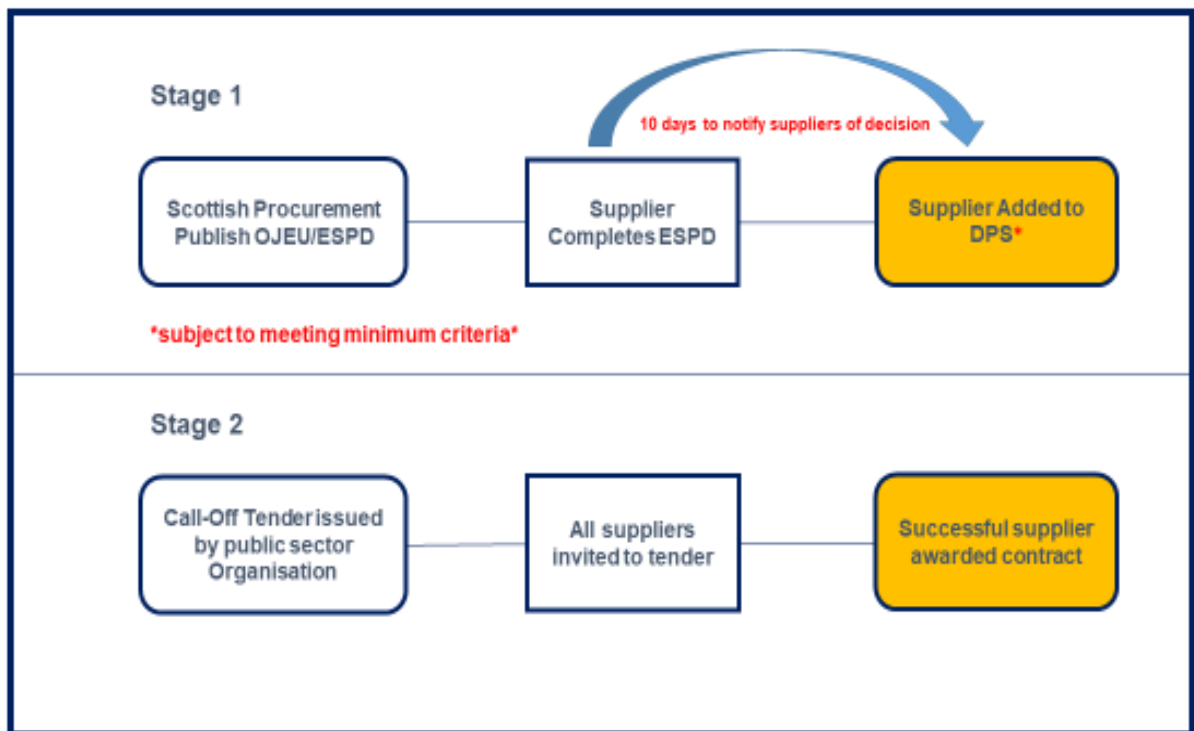
A DPS is a two stage process:

Stage 1 - Suppliers can apply to participate by completing the European Single Procurement Document (ESPD) via the Public Contracts Scotland Tender portal (PCS-T). Suppliers are required to complete the ESPD and meet the minimum selection criteria stated.

NOTE: Stage 1 has already been undertaken by Scottish Procurement whilst establishing the DPS. New suppliers can still apply to join at any time during its term and Scottish Procurement will continue to process these applications.

Stage 2 – Scottish public sector bodies will issue an invitation to tender for their requirement. All suppliers that have been successful in gaining entry to the DPS must be invited to tender and given the opportunity to bid for call-off contracts

The diagram below offers a simple high level illustration of how the DPS operates.



- There is no maximum or minimum number of suppliers
- Suppliers have the option to join the DPS at any time

8. Benefits

A DPS is an effective and efficient procurement procedure that can benefit both suppliers and buyers alike. Below are just some of the benefits you can expect to find when using the system:



9. Using the DPS for tenders

The DPS is for IoT technologies and services that are commonly available in the market. It provides a list of pre-qualified suppliers that have met the minimum entry criteria and is a simple route to market which will enable organisations to procure their IoT requirements without having to go through an onerous OJEU process, meaning buyers need only issue and evaluate their individual tenders.

There is no “direct award” process available via the DPS and buyers must give all suppliers that have been established on the DPS the opportunity to respond to your call for competition/Invitation to Tender (ITT). In our experience of other DPSs, it is unlikely that all suppliers will bid for all opportunities as they will “self-select” the tenders they bid for on a case by case basis.

You are able to undertake a form of electronic engagement with all the suppliers on the DPS. For example, you may wish to issue a project summary document highlighting the key aspects of your requirement which will allow suppliers to review before the full ITT documentation is issued. Should you choose to issue this via the DPS area of the PCS-T system, please clearly identify this as an ‘Expression of

Interest' (or similar wording) in the title to avoid confusion with actual ITT documentation.

NOTE: As the DPS is an 'open and running' system it is important you issue the ITT to any new suppliers added to the DPS between the dates of initial engagement, and issuing your ITT documentation. It is also important to note that when you set up a project on PCS-T, only those suppliers on the DPS list at that time are included on that project. Any supplier added to the DPS list after your project has been set up will need to be added manually and, accordingly, **you are strongly encouraged to check with the Scottish Procurement point of contact to ensure your supplier list is up-to-date.**

You can also establish if new suppliers have been added to the DPS by checking the live supplier list on our [website](#).

It is important that you ensure that all suppliers are included in all communications in relation to your tender as the process you adopt must be transparent.

Once the tenders are returned to you, the evaluation would be carried out and a call-off contract awarded to the successful supplier. There is no requirement to carry out a standstill exercise.

10. Calls for Competition

Scottish public sector bodies should develop their tender documents as they would for any tender, including how and when to respond, along with details of the evaluation criteria to be used. Responses received by the deadline should then be evaluated and the tenderer that offers the most economically advantageous tender should be awarded the call-off contract.

You must give suppliers a minimum of 10 days to respond to any tenders issued via the DPS. However, buyers should take into account the complexity of their requirement when deciding the duration a tender is open for.

The award criteria must include both cost and quality of service. The weightings should be determined prior to issue of the tender documents. Please note that the overall weightings must be within the following ranges:

- **Quality/Technical: 40-80%**
- **Price: 20-60%**

All DPS call off transactions must be carried out electronically.

To help buyers use the DPS, a dedicated area within Public Contracts Scotland – Tender (PCS-T) has been created specifically for buyers to call off from the DPS. There is no need to undertake the two day PCS-T training course to get access to this dedicated area within PCS-T. Once you gain access, there is a template which contains information that will help you run your call for competition.

In order to be added to this dedicated area you need to:

- Contact the DPS generic mailbox IoT_DPS@gov.scot and ask to be added to the system.

- When you receive confirmation you have been added you will also receive the PCS-Tender 'DPS Call-off User Guide'.

When you are running a call off contract through PCS-T, you need to create the ITT from the DPS template. You can 'create from existing ITT' using the following code: ITT_33911

This template will be kept updated as new suppliers join the DPS.

Buyers should only request access to this DPS dedicated area when you have a tender requirement. This is to mitigate against the issues mentioned in paragraph 9 when new suppliers are added to the DPS.

Buyers that do not wish to use the dedicated PCS-T area can run the DPS call off by any electronic means, e.g. email or any electronic portal. To do so you can obtain a copy of the supplier contact list(s) by emailing the following mailbox IoT_DPS@gov.scot

11. Terms and Conditions

Streamlined model terms have been developed specifically for use with the IoT DPS. To gain initial entry to the DPS, suppliers have agreed to these terms in principle as part of their application process.

These model terms are available for public sector organisations to use for their call-off contracts. They can be tailored, simplified or have additional clauses added as appropriate to suit your organisations specific requirements. Suitable legal advice should be sought in these circumstances.

It is not mandatory for buying organisations to use the streamlined model terms but they are provided for assistance. Users may choose whichever terms are most suitable for their requirement.

Regardless of whether you choose to use the streamlined model terms or choose to use your own, you should include them as part of your tender documents and subsequent call-off contract.

The model terms can be found as an attachment on PCS-Tender (within the DPS area) and on the ICT Networks section of the Scottish Procurement [Knowledge Hub](#).

Public sector organisation should note that the streamlined model terms includes a clause for a Parent Company Guarantee/Financial Bond. This has been included to allow buying organisations the opportunity to seek financial assurances if they deem this necessary. It is considered that any request for a Parent Company Guarantee/Financial Bond may be best sought, if required, at the preferred bidder

stage and users can state this within their invitation to tender documents. The need for this requirement should be determined by buying organisations on a risk based case by case basis.

12. Awarding Contracts

Contracts should be awarded in an open, fair and transparent manner at all times and you should ensure that winning contractor offers the Most Economically Advantageous Tender (MEAT). There is no obligation for you to undertake a standstill period.

In all regulated procurements, i.e. those valued in excess of £50,000, including a DPS call-off, the Scottish public sector bodies must publish an appropriate contract award notice.

Contract call-off award notices may be grouped on a quarterly basis. Grouped notices must be sent for publication within 30 days of the end of each quarter.

Once a call-off contract is signed, organisations must complete the Contract Award form at [Annex A](#).

13. Frequently asked questions

1. Who can use the DPS?

It is the responsibility of any buying organisation wishing to use the framework agreement to satisfy itself that it is eligible to do so. Entitlement can be established from the terms of the Official Journal of the European Union (OJEU) advert (OJEU reference number: 2019/S 128-313539. Section II.2.4 of the advert refers; copy embedded below:

The Dynamic Purchasing System will be available for use by the Scottish Ministers (including Agencies), Scottish Non-Departmental Public Bodies, offices in the Scottish Administration which are not ministerial offices, cross-border public authorities within the meaning of section 88(5) of the Scotland Act 1998, the Scotland Office, the Scottish Parliamentary Corporate Body, councils constituted under section 2 of the Local Government etc. (Scotland) Act 1994, Scottish Fire & Rescue Service, the Scottish Police Authority, Scottish health boards or special health boards, all NHS Scotland, The Integrated Joint Boards established further to the Public Bodies (Joint Working) Act 2014, bodies registered as social landlords under the Housing (Scotland) Act 2001, Student Loans Company Limited, the Forestry Commission, the Commissioner of Northern Lighthouse operating as the Northern Lighthouse Board, Equality and Human Rights Commission, Business Stream Ltd, the Business Gateway National Unit at the Convention of Scottish Local Authorities, further or higher education institutions being fundable bodies within the meaning of section 6 of the further and Higher Education (Scotland) Act 2005, any public body established by or under the Scotland Act 1998 or any Act of the Scottish Parliament, any association of or formed by one or more of the foregoing, bodies financed wholly or mainly by

one or more of the foregoing, bodies subject to management supervision by one or more of the foregoing and bodies more than half of the board of directors or members of which, or, in the case of a group of individuals, more than half of those individuals, being appointed by one or more of the foregoing. In addition to the contracting authorities listed, the Dynamic Purchasing System will be available to charities entered on the Scottish Charity Register and voluntary organisations entered on the Membership Database of the Scottish Council for Voluntary Organisations.

Information about Scottish Public Bodies is available at:

<http://www.gov.scot/Topics/Government/public-bodies/about>

Information about the Review of Public Procurement in Scotland and links to the other Centres of Expertise are available at:

<http://www.gov.scot/Topics/Government/Procurement>

2. Are the streamlined model terms and conditions available on the DPS subject to Scots law?

Yes – if you use the streamlined model terms made available by Scottish Government they are subject to Scots law. However if using your own terms and conditions, or in circumstances where you use the supplier terms, these will be subject to the specified legal jurisdiction within those terms.

3. Is there a process for providing feedback back into Scottish Procurement on issues relating to the DPS and the contractor's performance?

For any issues or feedback then please contact the Scottish Procurement point of contact detailed at paragraph 2 of this buyer guide or contact the DPS generic mailbox IoT_DPS@gov.scot.

4. Does the DPS allow for community benefits?

'Community benefits' are social considerations which include not only targeted recruitment and training, but also equal opportunities, training for the existing workforce, supply chain initiatives, community consultation, 'considerate contractor' schemes, contributions to education, the promotion of social enterprises, and resources for community initiatives.

It is strongly recommended that you include details of any community benefits you want to be delivered as part of the service - you should include these at invitation to tender stage of your call-off.

5. Does the DPS consider Fair Work?

For more information on Fair Work practices please see the Scottish Procurement Policy Note [SPPN 1/2015](#).

When establishing the DPS, Scottish Procurement sought details from Suppliers whether they intend to pay staff involved with the delivery of call-offs the [Real Living Wage](#).

Upon establishment of the DPS, Scottish Procurement positively encouraged Fair Work and the suppliers were notified that Fair Work practices may be included within call-offs. As such, buyers are encouraged to incorporate Fair Work practises within their individual call offs and build this it into their invitations to tender.

6. Can the DPS be used for “direct awards”, perhaps for low-value contracts?

No. The procurement rules state that each requirement under a DPS must be competed and all suppliers must be invited to bid.

7. Does the standstill period apply to contracts under the DPS?

No. The standstill period is not obligatory for individual contracts awarded under a DPS.

8. Do I need to provide suppliers with a minimum time period to respond to tenders?

Yes. The minimum time period for receipt of tenders is 10 days from the date on which the call for competition was sent. However, an appropriate and pragmatic timescale should be provided to allow Suppliers a reasonable time to respond.

9. Does the DPS encourage SME access to public contracts?

The DPS has many aspects that make it “SME friendly” and gaining access to the DPS is less onerous for SMEs. Also suppliers can join the DPS at any time.

10. If there are a large number of suppliers on the DPS, how will we effectively resource and undertake competitions for individual contracts?

The DPS is no more onerous than the Open Procedure for individual contracts; in fact it is easier, as you will only have to examine tenders received and not assess supplier’s exclusion and selection status for every contract (ESPD). We also know from experience that suppliers will “self-select” what tenders they bid for and it is unlikely that all suppliers will bid for all invitations to tender. As the DPS is for IoT technologies and services commonly available on the market, it may also be possible in many cases to run relatively straightforward award evaluation criteria, which will help to keep resource requirements in check.

The process you adopt must be fully transparent to the suppliers and must clearly layout your evaluation process.

11. Do I need to provide a debrief to unsuccessful suppliers?

There is no requirement for a “standstill” period under a DPS. However, you are not prohibited from either proactively providing feedback or offering to provide feedback on request which also can be seen as being good practice. Where you do provide or offer feedback you should treat all suppliers equally.

12. Is there any minimum/maximum durations to the contract call-offs and can contracts overhang the DPS period?

There is no minimum/maximum duration for the contract call-offs but the duration should be proportionate. Procurement rules specifically allow “overhang” in frameworks so there is no reason to consider that proportionate overhang would be impermissible in DPS. As with all procedures, the DPS should not be used in a way which will distort or prevent competition.

13. How do I issue calls for competition / ITT

The best option for carrying out your tender process is through PCS-T. The option to use PCS-T is now available to any buyer (even if you are not a current PCS-T user) for tenders via the DPS. There is no need to undertake the two day PCS-T training course. A straightforward and easy to follow guide is available when you register to access the DPS area. To gain access to the dedicated IoT area within PCS-T, please contact the mailbox: IoT_DPS@gov.scot.

Those buyers that choose not to use PCS-T can still make use of any electronic process such as Public Contracts Scotland, e-mail, existing procurement systems etc. If you decide not to use PCS-T please ensure you have the full list and contact details of suppliers and this can be found by contacting the mailbox.

Internet of things Dynamic Purchasing System (DPS)**Call-Off Contract Award Form**

Once a call-off contract is signed, organisations must complete the form below and send a copy to [Lisa Pittman](#).

Public Sector Organisation Name	
Buyer name	
Buyer email	
Buyer telephone number	
Contract Title	
Contract Value (inc extension options)	
Contract Duration (inc start and end date)	
Option extension periods	
Successful Supplier	
Supplier contact name	
Supplier contact e-mail	
Supplier contact telephone number	