

Report of: Contracts Officer

Report to: Director of Environment and Housing

Date: 25th September 2014

Subject: Award of contract YORE-9AKHBU for Textile Collection and Processing

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: Appendix 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SUMMARY OF MAIN ISSUES

- 1.1. The existing contract that deals with the collection and recycling of textiles has expired although commercial arrangements have been secured where the existing contractor will continue the provision of the service up to the point of award of a new contract.
- 1.2. A new competitive procurement has been conducted to provide a formal contract for the provision of containers for the collection of textiles and for the subsequent re-use or recycling of this material.
- 1.3. The new procurement was designed to offer a 5 year contract with extension options of 2 x12 months.
- 1.4. Competitive tenders have been received and evaluated on a price quality basis. Bag It Up is the organisation recommended by the evaluation panel to be awarded the new contract, based on delivering the best overall option for LCC as determined by the evaluation criteria.

RECOMMENDATIONS

- 1.5. The Director of Environment and Housing is recommended to note the content of this report and approve the award of the contract for Textile Collection and Processing to Bag It Up.

- 1.6. The Director is to be satisfied that the award of this contract has been the result of a fair and transparent process and with a view to achieving best value for the Council.

1 PURPOSE OF THIS REPORT

- 1.1 Contract Procedure Rule 18.4 requires that a decision to award is made by the relevant Officer through the delegated decision process. The delegated decision should outline why any tenders were disqualified and the reasoning for the selection of the contractors.
- 1.2 The purpose of this report is to brief the Director on the processes adopted for the procurement and advise of the outcomes it has achieved in order to demonstrate that a fair and transparent process has been followed. The report further seeks to request approval for the award of the contract to Bag It Up.

2 BACKGROUND INFORMATION

- 2.1 The Textile Collection and Recycling contract deals with materials collected through HWSS and at a network of 'bring banks' on Leeds City Council land.
- 2.2 The existing contractual arrangements with Bag It Up are on an ongoing agreement basis.
- 2.3 As part of the procurement the arrangements for siting new banks was reviewed and it is determined that new licence agreements need to be established to protect the Authority from site occupancy claims. The Licences were developed following approval of sites in accordance with the Council's LEDA process to reduce risk to the Authority.
- 2.4 The outcome of this procurement will lead to the award of a contract, the fulfilment of which will be a pre-requisite of maintaining the licence. The contract only relates to banks located on Council owned land.

3 MAIN ISSUES

3.1 Main Features of The Contract

- 3.1.1 The contract will be let for five years with extension options of 2 x 12 months. The procurement followed an open procedure with Bidders being asked to submit a Pre-Qualification Questionnaire and Tender concurrently.
- 3.1.2 The contract had a 70/30 split for price and quality with price being the 70% element.

3.2 Pre-Qualification Stage

- 3.2.1 The PQQ issued assessed the ability of organisations in respect to financial status, technical ability and professional integrity. Only organisations passed at this stage would be evaluated at the tender stage.

3.2.2 PQQs were received and evaluated for:

- § Bag It Up
- § Salvation Army
- § European Recycling Company
- § Nathans Wastesavers
- § Cookstown Recycling

3.2.3 Appendix 1 provides information on the PQQ evaluation and the subsequent tender evaluations.

Note that by virtue of Access to Information Rules 10.4.(3) Appendix 1 is restricted as confidential. This is on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.

It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information, as disclosure may prejudice the outcome of the procurement process, whilst the details of the tender proposals within the appendices also contain the financial details/business affairs of individual companies.

3.3 Tender Stage

3.3.1 4 Tenders were evaluated from :

- § Bag It Up
- § Salvation Army
- § European Recycling Company
- § Nathans Wastesavers

3.3.1 An evaluation panel of Officers from the Waste Strategy and Policy Team was established.

3.3.2 Evaluation was conducted on a consensus basis with the panel reaching an agreed score for each aspect of the evaluation criteria, at a meeting following independent review.

3.3.3 Scoring was on a 0-10 basis with bidders being required to meet minimum score thresholds of 40% for individual questions and 50% as an overall bid. If bidders did not meet minimum thresholds they were removed from further consideration.

3.3.4 Appendix 1 outlines the tender result showing BIU scored highest on both quality and price.

3.4 Implications Of Award

- 3.4.1 A key implication of award as recommended is continuity of service. BIU can commence operating under the new contract immediately once governance requirements are concluded.
- 3.4.2 There will be no delays in commencement through any TUPE implications that might have been experienced had the contract been awarded to a new organisation.
- 3.4.3 Appendix 1 outlines financial implications of award.

4 CORPORATE CONSIDERATIONS

4.1 Consultation and Engagement

- 4.1.1 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community, and as such no consultations have taken place.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Impact Assessment has been completed and it is not considered that the content of this report or the recommendations made will have any impact on any specific individual or group in terms of equality, diversity, cohesion and integration.

4.3 Council Policies And City Priorities

- 4.3.1 It is paramount that procurements in the authority are undertaken with a view to ensuring openness, transparency and fairness. This procurement has been undertaken through a formal competitive exercise and the proposed appointment is based on an evaluation which achieves a cost/quality balance which subsequently offers best value to the authority. All appropriate governance arrangements have been followed.
- 4.3.2 The issues being discussed within this report and the contract to be awarded will all have specific implications with regard to LCC's environmental performance and the aspirations stated within the environmental policy aiming for improved environmental protection. The following are all relevant contributors to meeting the needs of this Council policy:
 - § Preventing pollution and minimising our environmental impact
 - § Taking steps to reduce carbon emissions
 - § Improving our resilience to current and future climate change.

4.4 Resources And Value For Money

- 4.4.1 Of the tenders that met the quality thresholds stipulated and as indicated in Appendix 1, BIU tendered the highest income rate for the sale of textiles and therefore on a pure income basis, this represents the best solution from this procurement.

- 4.4.2 Based on the rate tendered, which is linked to the market rate as publicised in Materials Recycling Weekly (MRW), this procurement should ensure that Waste Management can achieve or exceed budgeted income targets.

4.5 Legal Implications, Access To Information And Call In

- 4.5.1 Officers from Strategy and Resources have been consulted throughout this tendering exercise and as such all legislative requirements have been adhered to.

4.6 Risk Management

- 4.6.1 A risk log has been kept and maintained for the procurement and this will be maintained subsequent to contract award to ensure service requirements are satisfactorily being met.
- 4.6.2 If the recommendation to award this contract is not approved then the Council will risk a position where no formal contractual arrangements are in place for dealing with what is an important, income generating waste stream and a contributor to the City's recycling rate.
- 4.6.3 The terms and conditions currently applicable would be at risk of change without notice and the Council would risk the quality of service being reduced without the protection that the condition of contract within a formalised arrangement provides.

5 CONCLUSIONS

- 5.1 It should be concluded from this report that a fair, open and transparent procurement has been undertaken and that, through evaluating on a price/quality basis published to all the bidders, the solution offered by Bag It Up provides the best available overall option for the Council

6 RECOMMENDATIONS

- 6.2 The Director for Environment and Housing is recommended to note the content of this report and approve the award of the contract for Textile Collection and Processing to Bag It Up.
- 6.3 The Director is to be satisfied that the award of this contract has been the result of a fair and transparent process and with a view to achieving best value for the Council.

7 BACKGROUND DOCUMENTS¹

- 7.1 In compiling this report no additional background papers were used.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.