



Report of: Team Manager, SSE Locality. Environments and Housing

Report to: Chief Officer, Environmental Action

Date: 8th January 2016

Subject: Approval to commence an interim procurement for the purchase of Litter bins for all three Localities, City Centre and Parks and Countryside.

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

SUMMARY OF MAIN ISSUES

1. Currently there is no formal contract in place for the supply of litter bins for Leeds, nor is there any existing Frameworks in place which can supply the specific type of bin required by Leeds and where delivery and installation is included.
2. An interim procurement is required to allow the three Localities, City Centre and Parks and Countryside to purchase litter bins in this interim period until the full procurement exercise is complete in August/September 2016.
3. It is considered that a competitive procurement exercise will ensure that the council obtains value for money.
4. The Leeds type Litter bin currently used has been specifically developed for Leeds over a period of time with specific tailor made features such as an internal concrete base to increase the weight, thus eliminating the need for any bolting down and the supplier delivers the litter bin direct to the required location. As there is no formal contract in place, in order to comply with the council's own Contract Procedure Rule (CPR) 3.1.8, the service requires Chief Officer approval to commence a formal tender process.
6. There is an anticipated lead in time of 6 weeks for deliveries to take place once an order is placed and this means that a full procurement using the Council's standard suite of contract procurement and project management methodology would not be concluded in time so a streamlined quotation exercise is being proposed which requires a waiver of CPR 3.1.15

RECOMMENDATIONS

7. The Chief Officer for Environmental Action is recommended to note the content of this report and approve the commencement of an interim procurement for the supply of a Leeds type litter bin (CPR 3.1.8) until a long term procurement project will be concluded.

To approve the waiver of CPR 3.1.15 and allow a written quotation exercise to be used to carry out the interim procurement for the supply of a Leeds type litter bin.

1. PURPOSE OF THIS REPORT

- 1.1 This report seeks to obtain approval from the Chief Officer for Environmental Action to commence a procurement exercise whereby a tender process will be undertaken to provide a formal contract for the supply of a Leeds type litter bin. In particular this report ensures that the requirement of CPR 3.1.8 is adhered to.
- 1.2 Furthermore the report seeks to gain authorisation from the Director of Environment and Housing to waive the Councils Contracts Procedure Rule 3.1.15 and allow the procurement to be conducted using a streamlined process utilising a quotation type document rather than the Council's standard templates and the whole accompanying project methodology.

1.3

2 BACKGROUND INFORMATION

- 2.1 For at least the last 5 years Broxap have been the main supplier of Litter bins and throughout this time the Leeds type litter bin has been developed with the concrete weight and the delivery to individual sites. This has saved Leeds Council the cost and inconvenience of redistributing the bins from a central delivery point and the task of siting and bolting down of the litter bins.
- 2.2 Due to the ongoing development work with Broxap we have continued to purchase the Leeds type litter bins through them outside of any framework or contract with them.
- 2.3 More recently it has been identified that other suppliers have now developed and improved their litter bins and have introduced the provision of a delivery/installation service. It is believed that these other suppliers can now offer a similar bin which is fit for purpose and the Service now wants to test the market and seek competition with a view to driving down prices.

3 MAIN ISSUES

- 3.1 The main issues for the operational service can be summarised as:
 - No formal framework exists in LCC for the provision of the Leeds type litter bin
 - We are not aware of any other appropriate external frameworks for the supply of the Leeds type litter bins, e.g. YPO.

- The Leeds type Litter bin currently supplied by Broxap has been developed and refined over a number of years which suits the requirements of all, with delivery direct to individual sites.
- Other suppliers have now improved and developed their litter bin and now provide delivery. It is therefore considered that the Council could be subjected to a legal challenge through not complying with the Public Procurement Regulations and inviting competition.
- The interim procurement is only required until a full procurement is completed in August/September 2016.

3.3 It is anticipated that between all three Localities, City Centre and Parks and Countryside that the number of litter bins purchased will be a total of 350 litter bins per year at an annual cost of approximately £91,000. Therefore it is anticipated that for the duration of this interim procurement the cost will be approximately £ 60,000.

3.4 The above proposal would require a waiver of CPR 3.1.15

4 CORPORATE CONSIDERATIONS

4.1 Consultation and Engagement

4.1.1 The Chief Officer, Environmental Action, will be consulted prior to the award of this contract.

4.1.2 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 further consultations are expected to take place other than with Officers in PPPU who will be supporting the procurement process.

4.2 Council policies and City Priorities

4.2.1 It is paramount that procurements in the authority are undertaken with a view to ensuring openness, transparency and fairness. This procurement will be undertaken through a formal competitive quotation exercise and the award will be based on an evaluation which is price only which subsequently offers best value to the authority. All appropriate governance arrangements will be followed throughout.

4.2.2 The provision of a formal contract for the procurement of litter bins will ensure we are able to respond to the need for litter bin provision more robustly and as such contribute towards making the City a cleaner place to live.

4.2.3 Dealing effectively with the city's waste is a Council priority as stated within the "Best Council Plan". Minimising waste in a growing city with a focus on ensuring a safe, efficient and the need for a reliable waste collection service is enhanced by the provision of a reliable litter bin infrastructure and as such this procurement will contribute towards us achieving this aspiration.

4.3 Resources and value for money

4.3.1 It is envisaged that the proposed interim procurement will realise some financial savings. Whilst this is not guaranteed it is considered that by the very nature of a competitive procurement the prices will be driven down.

- 4.3.2 The procurement will be evaluated on price only for bids meeting the specification.
- 4.3.3 At the time of contract award the Chief Officer will be provided with the value of all bids and the ranking of each supplier in the process.

4.4 Legal Implications, Access to Information and Call In

- 4.4.3 Officers from Strategy and Resources PPPU will be consulted throughout this competitive quotation exercise and as such legislative requirements surrounding EU Public Procurements will be adhered to.
- 4.4.4 The Decision is not subject to Call-in.
- 4.4.5 The Chief Officer will be notified of the actual value prior to the award of the contract, with the decision to award being a Significant Operational Decision that is not subject to call in.

4.5 Risk Management

- 4.5.1 If the recommendation to conduct this interim procurement is not agreed then the Council leaves itself open to a legal challenge on the basis that we would be in breach of Public Procurement Regulations having not invited competition
- 4.5.2 We would be left using an arrangement which is not formalised or carrying any firm terms and conditions for the arrangement. The product and service provided and the prices applicable could be subject to change without notice or recourse. Furthermore we would not be able to demonstrate that we are obtaining value for money in procuring litter bins.
- 4.5.3 Throughout the procurement a risk register will be developed and any risks which are high or which escalate at any time will be brought to the attention of the Chief Officer.
- 4.5.4. Although there is no overriding legal obstacle preventing the waiver of CPR 3.1.15 the above comments should be noted. In making their final decision, the Director of Environment and Housing should be aware of the risk of challenge to the Council and be satisfied that on balance the course of action chosen represents Best Value for the Council.

5 Conclusions

- 5.1.1 The commencement of a procurement exercise for the product and services detailed within this report will ensure that the Council complies with it's own CPR's. The requirement to seek competition in these circumstances is at the core of these rules.
- 5.1.2 A competitive quotation process will introduce competition which in turn should drive down prices and ensure that value for money is being achieved.
- 5.1.3 The award of the contract will provide the Council with formal terms and conditions which provides the legal framework protecting service levels and prices etc.
- 5.1.4 A formal procurement is being proposed however the service considers that a competitive quotation exercise it is the only means by which the litter bins can be

procured within an acceptable timescale. As such it is being suggested that a waiver of CPR 3.1.15 is appropriate in the circumstances.

6 Recommendations

- 6.1 The Chief Officer for Environmental Action is recommended to note the content of this report and approve the commencement of an interim procurement for the supply of a Leeds type litter bin with the contract being effective immediately and through until August/September 2016 when a more detailed and longer term procurement project will be concluded.

- 6.2 To approve the waiver of CPR 3.1.15 and allow a written quotation exercise to be used to determine the award of the interim contract.

7 Background documents

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