

Report of: Waste Management Business Manager (Contracts)

Report to: Chief Officer for Waste Management

Date: 23/03/17

Subject: Manufacture, Supply and Installation of Bin Frames

Contract Ref: DN219054

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 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) 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. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SUMMARY OF MAIN ISSUES

- 1 A procurement process has been concluded to appoint an organisation to manufacture, supply and install bin frames.
- 2 Once awarded, the outcome will be a five year contract with a single organisation that will carry out the services specified within the contract.
- 3 The contract provides an element of flexibility as the services within the contract will be reviewed on an annual basis to determine whether any efficiencies can be achieved in the services provided.
- 4 Competitive tenders have been received and evaluated on a price basis. Wrightways UK Ltd is the organisation recommended by the evaluation panel to be awarded the new contract, based on delivering the best overall option for the Council as determined by the price only evaluation criteria.

RECOMMENDATIONS

- 5 The Chief Officer for Waste Management is recommended to note the content of this report and approve the award of the contract to manufacture, supply and install frames to Wrightways UK Ltd.

- 6 The Chief Officer is to be satisfied that the award of this contract has been undertaken through following 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 18.5 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 Chief Officer for Waste Management 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 seeks further to request approval for the award of the contract to Wrightways UK Ltd.

2 BACKGROUND INFORMATION

- 2.1 A contract was procured under CPRs in 2013, the contract was then extended for a further year and expired on 28/02/15, for the supply and installation of bin frames after a need for the apparatus was identified during a programme of work to improve the methods used to collect refuse and recycling from domestic properties.
- 2.2 The programme saw bin yards and black sack collections in certain areas being replaced by communal on street bins, the bin frames are necessary to maintain the appearance and the security of these bins.
- 2.3 The service has been provided by S&O Fabrications without any issues and LCC have been without a contract since the expiry of the previous one in 2015.
- 2.4 Although the existing arrangements provide the Council with the specialist services it requires, they do not provide the Council with the protection and security of a formal contract.
- 2.5 The frames have proved to be an effective system for the management of communal bins and there is still need for a formal contracting arrangement for their supply and installation as the Waste Team intends to continue to introduce them to areas that would benefit from this approach.

3 MAIN ISSUES

3.1 Main Features of the Contract

- 3.1.1 The contract is to be let for 5 years with an annual review to take place to ensure the contract still provides LCC with value for money.
- 3.1.2 After the previous contract expiry in 2015, minor refinements to the design of the bin frames took place. As such, the original specification needed to be updated to reflect those changes. The bin frames still retain the modular design that provides the flexible approach that can be adapted to fit different sites.
- 3.1.3 As the specification sets out the requirement for the contractor to produce exact reproductions of bin frames already in use, it was felt that a price only evaluation was needed, yet had requirements for tenderers to have an accompanied visit to view the bin frames and also to have CHAS accreditation.

3.2 Evaluation Process

- 3.2.1 The procurement attracted bids from eight suppliers and was evaluated on 100% price against the product specification:-

Table 1.

ITEM	DESCRIPTION	Points allocated
1.	Price for 1 stand-alone bin frame, including two end panels and one door to house 1 x 1100l wheeled bin.	150
2.	Price for additional stand-alone bin frame units with door (no end panels) to house 1 x 1100l wheeled bin	150
3.	Price for 1 lean to wall bin frame with door. to house 1 x 1100l wheeled bin	150
4.	Price for additional lean to wall bin frame units with door to house 1 x 1100l wheeled bin	150
5.	Price for back panel for stand-alone bin frame to house 1 x 1100l wheeled bin	50
6.	Price for top back railing 10mm x 40mm MSFB per metre including bottom rail, top rail, 16mm round bar inserts and top 50mm ball finial.	125
7.	Price for bin frame accommodating 240l wheelie bin	100
8.	Price for bin yard gates with lock	125

3.2.2 Of the eight bids received, four of them were qualified and did not attend the supervised visit to the sites specified as instructed within the tender documents. This was a mandatory requirement in order to ensure tenderers were able to view the specific design requirements and to ensure that all features were incorporated within their tendered price.

3.2.3 Due to the varied modular design of the bin frames, tenderers were asked to submit a price against each of the separate modules. Those prices, when evaluated, were then weighted (please see table above) to reflect the most common elements previously used. For example, the main bin frame units attracted the highest points.

3.2.4 The price received for each module (table 1) that was higher than the lowest price, had marks deducted according to the difference between the other tenderers price and the lowest price. The difference was expressed as a percentage of the lowest price, which was then used to calculate the percentage of the total marks available that were deducted. Scoring evaluation results are provided within confidential Appendix 1.

3.2.5 After all tenders were evaluated, Wrightways UK Ltd was the highest scorer, achieving the most points awarded at the conclusion of the evaluation process.

4 CORPORATE CONSIDERATIONS

4.1 Consultation and Engagement

4.1.1 It is not considered that the recommendations made in this report will have a significant impact on any particular ward or community, and as such no consultations have taken place. However consultation will take place when any units are being installed

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 It is not considered that the content of this report or the recommendations made will have a significant impact on issues of equality and diversity or cohesion and integration.

4.2.2 Equality, Diversity, Cohesion and Integration impact assessment has been completed on 3rd January 2017 and was 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 award will be based on an evaluation which achieves a price which subsequently offers best value to the authority. All appropriate governance arrangements have been followed throughout.

4.3.2 Corporate Procurement Rules stipulate that an internal provider be used wherever possible, the capacity within the Council to deliver the frames hasn't been identified to date.

4.3.3 The issues being discussed within this report and the contract we are looking to award will all have specific implications with regard to our environmental performance and the aspirations stated within our environmental policy where we are 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 improve carbon emissions.
- Improving our resilience to current and future climate change.

4.4 Resources and Value for Money

4.4.1 By undertaking a formal tender process as described in this report an element of competitiveness has been introduced in the market place and this helps drive down prices.

4.4.2 The evaluation criteria were set up in order to maximise savings. Wrightways UK Ltd submitted prices against the current prices for the main bin frame module generating a saving of around 25%, and around 20% savings over the nine items.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This decision is not subject to call-in and the report contains exempt/confidential information at Appendix 1 which is Exempt/Confidential under Access to Information Procedure Rules 10.4(3), as it details rates tendered by the contractor for the provision of its services to the Council. It is considered that the public interest in maintaining the content of Appendix 1 as Exempt/Confidential outweighs the public interest in disclosing the information in the Appendix, as the rates charged relate to the financial/business affairs of the contractor, which if revealed may place the contractor at a commercial disadvantage when competing for other contracts.

Note that by virtue of Access to Information Rules 10.4.(3) the Appendices attached to this report are restricted as confidential. This is on the basis that they contain 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.

4.6 Risk Management

- 4.6.2 If the recommendation to award as described within this report is not approved then the Council will remain in a position where no formal contractual arrangements are in place.
- 4.6.3 If the service continues without a formal contract being in place, the price, quality and the terms and conditions that currently apply would be at risk of change without notice. The Council would also be at risk of the quality of service reducing and being without the protection and means of redress that a formalised arrangement would provide.
- 4.6.4 Throughout the procurement a risk register has been developed and those risks have been adequately managed. The risk register will continue to be maintained in terms of the ongoing management of the contract once awarded and any high risks or escalating risks will be brought to the attention of the Chief Officer for Waste Management.
- 4.6.5 Officers have been to visit Wrightways UK Ltd, to audit their Health and Safety, CHAS accreditation and Safe Working Processes that will be needed in order to fulfil the contract. Officers also went through the specification with Wrightways UK Ltd and are satisfied that the company can provide the service required.

5 CONCLUSIONS

- 5.1 The procurement for the Manufacture, Supply and Installation of Bin Frames detailed within this report ensures the Council complies with EU Public Procurement Regulations and the Council's governance. The requirement to seek competition in these circumstances is at the core of these rules.
- 5.1 A tender process has introduced competition which in turn has driven down prices and ensured that value for money has been achieved.
- 5.2 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.

6 RECOMMENDATIONS

- 6.1 The Chief Officer for Waste Management is recommended to note the content of this report and approve the award of the contract to manufacture, supply and install bin frames to Wrightways UK Ltd.
- 6.2 The Chief Officer is to be satisfied that the award of this contract has been undertaken through following 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.