

Report of: Chief Officer Waste Management

Report to: Director of Environment and Housing

Date: 8th August 2013

Subject: Waiver of Contract Procedure Rules - RouteSmart

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: A Appendix A 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Council entered into a contract in 01/09/210 with Integrated Skills Ltd. to provide the RouteSmart software for use in the planning and maintenance of refuse collection routes.
2. The original three year contract expires on 31/08/2013 and to continue using it the Council must take out a further two year hosting, support and maintenance contract.
3. It is intended to review the market for route planning systems over the next twelve months and this extension is to cover the use of the system during that period.

Recommendations

4. This report recommends the Chief Officer – Waste Management approves the waiver of Contract Procedure Rule 12 (Between £10K and £100K - Intermediate Value Procurement) and award a two year contract to Integrated Skills Ltd. for the provision of hosting, support and maintenance services to a value of £36,630.

1 Purpose of this report

- 1.1 This report is to seek approval from Chief Officer – Waste Management to award a twelve month contract to Integrated Skills Ltd. for the provision of hosting, support and maintenance services on the RouteSmart software system to a value of £36,630.

2 Background information

- 2.1 The Council entered into a contract in 01/09/2010 with Integrated Skills Ltd. to provide the RouteSmart software for use in the planning and maintenance of refuse collection routes.
- 2.2 The original three year contract expires on 31/08/2013 and to continue using it the Council must take out a further two year hosting, support and maintenance contract.
- 2.3 The system is still required for at least a further two years and then beyond this date in order to implement the Waste Solutions Programme and to deliver 'business as usual' functions.

3 Main issues

- 3.1 Without a hosting, support and maintenance contract in place, the Council will no longer be able to use the RouteSmart software system. If the Waiver is not granted, a procurement exercise in accordance with Contract Procedure Rule 12 will be required, this will require the creation of a detailed technical specification, detailed business requirements specification and the advertisement and a tender submissions assessment process.
- 3.2 The existing contract expires 31/08/2013. Without taking out a further two year contract, the Council would be unable to use the Route Smart system.
- 3.3 Without the use of the Route Smart system, the City Council will fail to meet its obligations for the implementation of Waste Solution Programmes including the implementation of Alternate Weekly Collections in November 2013. The provision of Business As Usual processes such as route change requests.
- 3.4 RouteSmart Inc. is a US-based developer of market-leading specialist high-density route optimisation software for over 25 years. RouteSmart are an authorised ESRI Ltd business partner and focus all RouteSmart product development on the ArcGIS environment. RouteSmart is an extension to ESRI's ArcGIS product. ESRI provide the corporate GIS (Geographical Information System) used by Leeds City Council.
- 3.5 Integrated Skills Ltd (ISL) is the Sole UK Distributor of RouteSmart and is an ESRI (UK) Partner. They are a specialist waste management and environmental services consultancy since 1993. ISL are the only supplier of RouteSmart which is the only high density route mapping system with such links to ESRI.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Council's Procurement Unit has been consulted, including the Compliance and Regulation team, and this report has been prepared to reflect fully their input and comments. Comments from the Compliance and Regulation team are set out at the legal implications paragraph to this report.

4.2 Equality and Diversity / Cohesion and Integration

4.2.2 This decision does not impact upon Equality and Diversity / Cohesion and Integration.

4.3 Council policies and City Priorities

4.3.1 The introduction of Alternate Weekly Collection refuse and recycling routes and weekly food waste routes represent an integral part of achieving the vision and key principles of the Integrated Waste Strategy for Leeds (2005 – 2035). These were recently re-affirmed by the Executive Board on 14th December 2011 and as such represent City and key service priorities for 2012/13 & 2013/14.

4.4 Resources and value for money

4.4.2 Appendix A sets out the intermediate procurement value of the RouteSmart software hosting, licences, support and maintenance contract that is covered by existing budget

4.5 Legal Implications, Access to Information and Call In

4.5.1 This is an administrative decision and therefore not subject to Call-in.

4.5.2 It should be noted that European case law in relation to procurement suggests that any contracts which may be of interest to any other organisations within Europe should be subject to a degree of advertising even if they fall below the thresholds set down for procurements falling within the full regime of EU regulations. It is in the Council's discretion to determine the degree to which advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.

4.5.3 In failing to advertise this contract and appointing a sole provider without competition, there may be a risk of challenge from other potential providers who have not been given the opportunity to bid for this contract. However, given the nature of this contract and the considerations as to the necessity for ISL to be appointed in order to utilise the current software in use and the limited term of the contract until in-house personnel can provide the services, it is considered that the risk is low and that even at a higher value, this contract would be such that it would fall under the Public Contracts Regulations 2006 (specifically Regulation 14(1)(a)(iii)) as a contract that could legitimately be awarded to a single provider. ISL are the sole UK distributor of RouteSmart and previous research has found that there is not a great deal of diversity in the marketplace; especially considering that compatibility with existing Council software must always be borne in mind.

- 4.5.4 It should be noted that if this contract exceeded the EU threshold of £173,934.00 for services contracts, it would be the Council's position that a voluntary transparency notice be published in the official journal of the European Union, to ensure transparency and fairness and mitigate the risk to the Council. However, such a notice would not be published at this value.
- 4.5.5 These comments should be noted by the Chief Officer Waste Management in making their final decision as to the award of this contract being the best course of action for the Council. The Chief Officer should be satisfied that this represents best value for the Council.

4.6 Risk Management

- 4.6.1 The contract will continue to be managed in line with the current Contract Management Plan.

5 Conclusions

- 5.1 To ensure a continued provision of planning and maintenance of refuse collection routes the Council should award a twelve month contract to Integrated Skills Ltd for the provision of hosting, licenses, support and maintenance of RouteSmart.

6 Recommendations

- 6.1 This report recommends the Chief Officer Waste Management approves the waiver of Contract Procedure Rule 12 (Between £10K and £100K - Intermediate Value Procurement) and award a twelve month contract to Integrated Skills Ltd. for the provision of hosting, support and maintenance services to a value of £36,630.

7 Background documents¹

- 7.1.1 None.

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.

