

**Report of:** Business Officer (Waste Management Contracts)

**Report to:** Deputy Chief Officer Waste Management

**Date:** 27th April 2018

**Subject:** Interim Arrangements for Supply of Plastic Wheeled Bins

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: <b>Appendix 1</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## SUMMARY OF MAIN ISSUES

1. The Council have been using a framework agreement set up by Warrington Borough Council (WBC) for the purchase of wheeled bins, recycling products and liners. This contract expired in May 2017 and the Council were expecting it to be replaced with a comparable arrangement however following issues in WBC and the lack of progress on a new arrangement, the Council are now in the process of making alternative arrangements under a call off from the Yorkshire Purchasing Organisations (YPO) framework.
2. We are currently in the gap between the two formal contracting arrangements and provision needs to be put in place to allow continuity of service for operational teams as the requirement for replacement bins remains consistent and a further additional requirement has been identified as a result of work to expand garden waste collections.
3. Orders need to be compliant with Council regulations and represent the best overall option for the service.

## RECOMMENDATIONS

The Deputy Chief Officer for Waste Management is recommended to note the contents of this report and approve the existing orders that have been placed for wheeled bins. Authorisation is also requested for further spend with the identified suppliers until a YPO call off is concluded.

## **1 PURPOSE OF THIS REPORT**

- 1.1 This report aims to provide sufficient information to allow the Deputy Chief Officer for Waste Management to determine if the recommendations outlined provide the best course of action for the service. The report will provide formal justification for why the orders have been placed with the suppliers making them compliant with the council's Financial Regulations. It will also provide recognised authorisation for future orders providing continuity of service until a procurement is concluded.

## **2 BACKGROUND INFORMATION**

- 2.1 LCC have used an approved framework procured by WBC to purchase waste containment systems since 2009. Although the Council had an input into the setup of the framework it has always been administered and controlled by Warrington. The most recent framework expired in May 2017 and due to a range of complications within WBC it has not yet been replaced.
- 2.2 Under the Warrington Framework call off evaluation, which took into consideration LCC specific requirements including physical testing with our own vehicles as well as the usual price and quality elements, A&C Weber UK were identified as the preferred supplier for any bins sized over 360lt. Craemer UK Ltd were the preferred supplier for 140lt and 240lt household bins.
- 2.3 Significant orders were placed against the framework before its expiry to provide some level of consistency for the supply of stock while procurement options for a more sustainable solution were assessed, in this type of framework arrangement this approach is entirely normal and is compliant with Procurement regulations. The spend for plastic wheeled bins has gone through a period of flux following the introduction of bin charging however it is an ongoing and substantial expenditure that needs to be formally managed through secure arrangements.

## **3 MAIN ISSUES**

- 3.4 Since the orders described at 2.3 above were fulfilled, further "off contract" orders have been raised with both Weber and Craemer with these being the most economically advantageous suppliers under the previous Warrington framework. They remain as the preferred suppliers for their respective products for the interim period as they have held the prices that were submitted as part of the original procurement so LCC are still achieving competitive rates.
- 3.5 The orders described at 3.4 above cover additional stock replacements of communal bins with Weber for £9k and orders for the supply and distribution of additional household bins with Craemer for £170k to manage the roll out requirements of the garden waste expansion programme.
- 3.6 It is envisaged that further orders will need to be raised with Weber in the region of £15k to see communal stock through to the next supplier being in place. Stock requirements with Craemer are still covered by the orders that were placed before the contract expired.
- 3.7 Bins provide key infrastructure to effective waste management and this spend is essential to keep the operational service functioning as it should.

## **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. The preferred suppliers for specific products were originally established through a formal competitive exercise and the award was based on an evaluation which achieved the best cost/quality balance.
- 4.3.2 It is important that a reliable quality source for wheeled bins is maintained to support the collections infrastructure providing a means for fulfilling the Councils statutory duty to collect waste and recyclates from the kerbside of Leeds residents. This duty is reflected in the Best Council Plan which identified a key objective for the Council of 'Dealing effectively with the city's waste' and the appropriate resources for residents are key to being able to achieve this.

#### **4.4 Resources and value for money**

- 4.4.1 The original call off from the Warrington framework as described in this report introduced two levels of market competition which acts to drive down prices arguably further than a standalone tender, and these are the prices that are still being used.
- 4.4.2 Capital funds are in place for the orders for bins under the garden waste expansion scheme. The remaining orders are an ongoing revenue requirement that has been budgeted for.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.3 Officers from Legal and Democratic Services have been consulted throughout the original tendering exercise, through the interim period and are providing support for the next call off exercise, as such all legislative requirements surrounding EU Public Procurements have and will be adhered to.

- 4.6** As a Significant Operational Decision this DDR is not subject to Call-in but will be published on the decision register.

#### **4.7 Risk Management**

- 4.7.1 A risk register has been developed for all the wheeled bin procurement requirements and will continue to be maintained with any high or escalating risks being brought to the attention of the Deputy Chief Officer for Waste Management.
- 4.7.2 The risk of not having an arrangement secured is that the continued availability and the competitive rates of wheeled bins and recycling products may be compromised, which will in turn affect the delivery of the front line collections service.

## **5 CONCLUSIONS**

- 5.1 The provision of wheeled bins and recycling containers is an important part of waste management infrastructure that needs to be properly managed to ensure effective and efficient services can be delivered. By using previously established competitive suppliers to cover orders and allowing a procurement to take place the service are using the most appropriate solution to ensuring Council standards are maintained.

## **6 RECOMMENDATIONS**

- 7 The Deputy Chief Officer for Waste Management is recommended to note the contents of this report and approve the existing orders that have been placed for wheeled bins. Authorisation is also requested for further spend with the identified suppliers until the YPO call off is concluded.

## **BACKGROUND DOCUMENTS<sup>1</sup>**

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

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<sup>1</sup> 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.