

Report of Head of Service

Report to Director of Resources and Housing

Date: 28th March 2019

Subject: Report to award a corporate waste and recycling contract for the supply of Skip Services.

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 numbers: I,II,III,IV,V,VI,VII,VIII,IX,X,XI,XII,	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The original corporate buildings waste and recycling contract consisted of three distinct Lots which included Lot 1 for the provision of a wheeled bin service for the waste collection, disposal and recycling to LCC buildings, Lot 2 consisted of a Skip service for the removal of trade waste generated by LCC's Service areas and Lot 3 was for a confidential waste destruction service.
2. Approval to start a new procurement exercise for all the Lots was signed by the Director of Resources and Housing on the 20th July 2018.
3. North Yorkshire County Council (NYCC) contacted Leeds City Council (LCC) in August 2018 to discuss providing the service for Lot 1 and it was then decided to remove Lot 1 from the procurement exercise and tender the two Lots for the Skips Service and Confidential waste on their own.
4. After consultation with the client departments and reviewing the existing arrangements for Lot 3 Confidential Waste Destruction it was decided to insource the service once the present contract came to an end. Therefore this service was removed from the procurement exercise.
5. The procurement exercise for Lot 2 the Skip Services which now consists of 12 different waste stream Lots is now complete and the contracts are ready to award.

6. The purpose of this report is to seek approval to award contracts for the Skip Service Lots contracts for the Corporate Contract Building Waste and Recycling, Skip Services Lots which is detailed in this report.
7. Due to the complications within the procurement exercise the new contract will be due to start on the 1st May 2019.
8. The skip Lots for corporate waste and recycling contract are to be awarded to AWM Ltd and Biffa for those Lots that they have each successfully tendered for based on 30% quality and 70% price. The details of each award will be provided within this report.
9. The estimated aggregate value of the contracts for all the Lots is £462k pa.

Recommendations

The Director of Resources and Housing Leeds is recommended to approve the awards of the Skip Service Lots from the Corporate building waste and recycling contract for a four year period as follows:-

- Lot 1. Food Waste to Biffa with an estimated annual value of £19,751.
- Lot 3. Mixed Municipal Waste to AWM Ltd with an estimated annual value of £171,706.
- Lot 4. Biodegradable Waste to Biffa with an estimated annual value of £41,502.
- Lot 5. Paper and Card to AWM Ltd with an estimated annual value of £1,867.
- Lot 6. Scrap Metal to AWM Ltd with a potential opportunity to generate £12k income.
- Lot 7. Mixed Building Waste to Biffa with an estimated annual value of £222,940.
- Lot 8. Inert Soil and Stone Waste to AWM Ltd with an estimated annual value of £6,820.
- Lot 9. Wood Waste to AWM Ltd with an estimated potential opportunity for zero cost per annum.
- Lot 10. Asbestos Waste to AWM Ltd with an estimated annual value of £3,913.
- Lot 11. Gypsum/plasterboard Waste to AWM Ltd with an estimated annual value of £4,694.
- Lot 12. Unwanted Office Furniture Waste to AWM Ltd with an estimated annual value of £562.
- Lot 13. Mixed Rigid Plastic Waste to AWM Ltd with an estimated potential opportunity for £5.56 cost per annum.

The contracts are expected to start on the 1st May 2019 and the aggregate value of the award will be approximately be £462K per annum.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to award contracts for the Skip service Lots for removal of trade waste generated by the Authorities Services areas to the successful bidders for each of the 12 Lots mentioned in this report. The contract will be for a four year period with an estimated start date of 1st May 2019.

2 Background information

- 2.1 The contracted consisted of three Lots which included Lot 1, a wheeled bin service for the waste collection, disposal and recycling to all LCC buildings, Lot 2 consisted of a Skip service for the removal of trade waste generated by the Authorities Service areas and Lot 3 for confidential waste destruction.
- 2.2 Approval to start a new procurement exercise for all the Lots was signed by the Director of Resources and Housing on the 20th July 2018.
- 2.3 Leeds City was contacted by North Yorkshire County Council (NYCC) contacted Leeds City C in August 2018 to discuss provision of the service for Lot 1.
- 2.4 In order to facilitate time for negotiations with NYCC it was decided to remove Lot 1 from the procurement exercise and only tender the Lots for the Skips Service and Confidential waste on their own.
- 2.5 A Market Sounding exercise was conducted on the 9th August 2018 and resulting from the feedback given by prospective service providers it was decided to re-scope Lot 2 for the Skip Services. The re-scope involved developing 13 waste stream Lots to be individually tendered.
- 2.6 The Skip Service waste Lots consist of:-

LOT N ^o	WASTE DESCRIPTION	COLLECTION/SERVICE TYPE
Lot 1	Food waste	Wheeled bin service
Lot 2	Confidential waste destruction	On/off site shredding
Lot 3	Mixed municipal waste	Skip service
Lot 4	Biodegradable waste	Skip service
Lot 5	Paper and cardboard	Skip service
Lot 6	Scrap metals	Skip service
Lot 7	Mixed building and construction waste	Skip service
Lot 8	Inert waste (Soil and stones)	Skip service
Lot 9	Mixed wood/timber	Skip service
Lot 10	Asbestos	Skip service
Lot 11	Plasterboard/gypsum	Skip service
Lot 12	Furniture	Skip service
Lot 13	Mixed rigid plastics	Skip service

- 2.7 The current contract ends on the 31st March 2019 and the expected award for the new contract will be 1st May 2019, therefore a variation to the contract of four weeks has been agreed with the incumbent supplier.

3 Main Considerations and Reasons for Contract Award

- 3.1 Approval to start a new procurement exercise for all the Lots was signed by the Director of Resources and Housing on the 20th July 2018.
- 3.2 The evaluation model and criteria was agreed and approved at 30% Quality and 70% price by the Chief Officer of Civic Enterprise Leeds 14th September 2018.
- 3.3 The procurement exercise for the Skip Service Lots was advertised on OJEU and invites to tender via the Open Procedure method were published on YORtender in November 2018.
- 3.4 Following the closing date of 10th December 2018 eight bids were received for the 13 Skip Service Waste Lots.
- 3.5 After consultation with the client departments and reviewing the existing arrangements it was decided to insource the Confidential Waste Destruction service once the present contract come to an end. The method statement were evaluated evaluation but carried forward to the evaluation matrices and not awarded.
- 3.6 The 12 remaining Skip Lots were evaluated from Officers from Facility Management, Waste Management who conducted the Quality element of the evaluation and Procurement and Commercial Services who evaluated the tendered prices. .
- 3.7 The tender documents were developed to appoint one supplier to provide the service for each Lot. The successful bidder would be chosen from the most competitive tender based on 30% quality and 70% price.
- 3.8 Within the quality element of the evaluation bidders were required to meet minimum score threshold for individual criteria. If bidders didn't meet these minimum thresholds then they were to be removed from the selection process.
- 3.9 The results of the evaluations of the tender exercised for each of the Lots were as follows:-

Lot 1. Food Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Veolia Environmental Services PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed along with the tendered pricing which is shown as Appendix I.

Biff provided the best overall submission based on quality and price criteria.

Lot 3. Mixed Municipal Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix II.

AWM Ltd provided the best overall submission based on quality and price criteria.

Lot 4. Bio Degradable Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix III.

Biffa provided the best overall submission based on quality and price criteria.

Lot 5. Paper and Card Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed along with the tendered pricing which is shown as Appendix IV.

AWM Ltd provided the best overall submission based on quality and price criteria.

Lot 6. Scrape Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix V.

AWM Ltd provided the best overall submission based on quality and price criteria

Lot 7. Mixed Building Waste – Two tender submissions were received and these were from AWM Ltd and Biffa. Both tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed along with the tendered pricing which is shown as Appendix VI.

Biffa provided the best overall submission based on quality and price criteria.

Lot 8. Inert Soil and Stone Waste – Two tender submissions were received and these were from AWM Ltd and Biffa. Both tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed along with the tendered pricing which is shown as Appendix VII.

AWM Ltd provided the best overall submission based on quality and price criteria.

Lot 9. Mixed Wood/Timber Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix VIII.

AWM Ltd provided the best overall submission based on quality and price criteria

Lot 10. Asbestos Waste – Two tender submissions were received and these were from AWM Ltd and Biffa. Both tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed along with the tendered pricing which is shown as Appendix IX.

AWM Ltd provided the best overall submission based on quality and price criteria.

Lot 11. Gypsum/plasterboard Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix X.

AWM Ltd provided the best overall submission based on quality and price criteria

Lot 12. Unwanted Office Furniture Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix XI.

AWM Ltd provided the best overall submission based on quality and price criteria

Lot 11. Mixed Rigid Plastics Waste – Three tender submissions were received and these were from AWM Ltd, Biffa and Premier Waste Recycling PLC. All three tenders passed the SQQ and proceeded to the quality evaluation. The quality scored were then processed and Premier Waste Recycling PLC were eliminated due to not meeting the minimum criteria on Q3. AWM Ltd and Biffa Quality scores were evaluated along with the tendered pricing which is shown as Appendix XII.

AWM Ltd provided the best overall submission based on quality and price criteria

- 3.10 The pricing element of the tender exercise provided an annual aggregate estimated value of £462k
- 3.11 The preferred bidders, AWM Ltd and Biffa have passed the vetting criteria.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1 It is not considered that the content of this report or its recommendation made will have a significant impact on any particular ward or community.

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 Best Council Plan

4.3.1 It is important that procurement within Leeds City council is undertaken with a view to ensure openness, transparency and fairness. As such, the contract for the supply of the Corporate Skip Services has been procured in line with Contract Procedure Rules.

4.3.2 The contract we are looking to award will have specific implications with regard to our environmental performance and the aspirations stated within our environmental policy where we are aiming to improve environmental protection. The following are all relevant contributors to meeting the needs of this Council's policy:

- Prevent pollution and minimise our environmental impact.
- Take steps to reduce carbon emissions
- Improve our resilience to current and future climate change.

4.4 Resources and Value for Money

4.4.1 The contracts entered into as a result of this procurement exercise will be used for the Skip service Lots for removal of trade waste generated by the Authorities Services areas This forms an important element in delivering services across Leeds City Council.

4.4.2 There are no additional resource implications once the contracts have been awarded and mobilised.

4.4.3 Regular contract review meetings will take place with suppliers to review performance indicators and to ensure value for money continues to be obtained.

4.4.4 The new contract is expected to show savings on the existing arrangement estimated at £75k per annum against previous contract prices. All estimated savings are based on current usage and may vary.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Director of Resources and Housing is authorised to make the decision to award contracts for the Corporate Skip Services.
- 4.5.2 Advice regarding the procurement exercise, including terms and conditions of contract, have been obtained from Procurement and Commercial Services to ensure contractor procedure rules is met, and fair competition has been observed.
- 4.5.3 The maximum value of spend for the full four years of this award will be approximately £2.0M.
- 4.5.4 The original decision was a key decision and subject to call in. The award of this contract is a significant operational decision, as a consequence of a previous key decision.

4.6 Risk Management

- 4.6.1 If the recommendation to award as described within this report is not approved then the council will risk being in a position where no formal contractual arrangements are in place for dealing with the waste stream generated by the Council Services area in delivering their services that they are required to undertake.
- 4.6.2 The recommendation for award means that the incumbent contractor won the majority of the Lots however a new contractor is recommended for award to two new Lots (Food Waste and Bio-degradable Waste) and one Lot that is part of the existing services.

Legal advice suggests that TUPE isn't a consideration as this is a contractor to contractor procurement and it is for bidders to rely on their own advisers as regards the applicability (or otherwise) of TUPE and in relation to due diligence.
- 4.6.2 There is no particular risk in approving the award of this contract. The winning suppliers have had the necessary checks carried out during the procurement process.
- 4.6.3 There is also a risk, as a result of any trading arrangements that may change as a result of Brexit. It is currently not possible to evaluate the impact of that risk at this time.

5 Conclusions

- 5.6 The procurement for the Corporate Skip Services detailed within this report endure the council complies with EU Public Procurement Regulations and the Councils own CPRs.
- 5.7 The tender process has introduced competition which in turn has driven down prices and ensures value for money has been achieved.
- 5.8 The award of the contracts will provide the Council with formal terms and conditions which provides the legal framework protecting service levels and prices for the Corporate Skip services.

- 5.9 The procurement exercise has determined the preferred bidders to be AWM Ltd and Biffa.

6 Recommendations

The Director of Resources and Housing Leeds is recommended to approve the awards of the Skip Service Lots from the Corporate building waste and recycling contract for a four year period as follows:-

- Lot 1. Food Waste to Biffa with an estimated annual value of £19,751.
- Lot 3. Mixed Municipal Waste to AWM Ltd with an estimated annual value of £171,706.
- Lot 4. Biodegradable Waste to Biffa with an estimated annual value of £41,502.
- Lot 5. Paper and Card to AWM Ltd with an estimated annual value of £1,867.
- Lot 6. Scrap Metal to AWM Ltd with a potential opportunity to generate £12k income.
- Lot 7. Mixed Building Waste to Biffa with an estimated annual value of £222,940.
- Lot 8. Inert Soil and Stone Waste to AWM Ltd with an estimated annual value of £6,820.
- Lot 9. Wood Waste to AWM Ltd with an estimated potential opportunity for zero cost per annum.
- Lot 10. Asbestos Waste to AWM Ltd with an estimated annual value of £3,913.
- Lot 11. Gypsum/plasterboard Waste to AWM Ltd with an estimated annual value of £4,694.
- Lot 12. Unwanted Office Furniture Waste to AWM Ltd with an estimated annual value of £562.
- Lot 13. Mixed Rigid Plastic Waste to AWM Ltd with an estimated potential opportunity for £5.56 cost per annum.

The contracts are expected to start on the 1st May 2019 and the aggregate value of the award will be approximately be £474K per annum.

7 Background documents¹

- Appendix I – Evaluation report for Lot 1 (confidential)
- Appendix II – Evaluation report for Lot 3 (confidential)
- Appendix III – Evaluation report for Lot 4 (confidential)
- Appendix IV – Evaluation report for Lot 5 (confidential)
- Appendix V – Evaluation report for Lot 6 (confidential)
- Appendix VI – Evaluation report for Lot 7 (confidential)
- Appendix VII – Evaluation report for Lot 8 (confidential)

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.

- Appendix VIII – Evaluation report for Lot 9 (confidential)
- Appendix IX – Evaluation report for Lot 10 (confidential)
- Appendix X – Evaluation report for Lot 11 (confidential)
- Appendix XI – Evaluation report for Lot 12 (confidential)
- Appendix XII – Evaluation report for Lot 13 (confidential)