

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

**Report to:** Chief Officer Environmental Services

**Date:** 09 February 2021

**Subject:** Commencement of a procurement for various sized plastic wheeled bins through a Call Off from ESPO Framework 860 Refuse and Recycling Products.

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## SUMMARY OF MAIN ISSUES

1. The existing contract that deals with the supply of plastic wheeled bins and food waste caddies is due to expire at the end of March 2021. The provision of wheeled bins and containers is a key function of the Waste Management department as appropriate infrastructure needs to be in place for operational front line services to be delivered efficiently.
2. The Councils CPRs requires the use of an established framework where a suitable one exists but also the vetting of all externally procured frameworks. YPO and ESPO both have suitable arrangements that could be used and have been approved for use by the LCC Procurement and Commercial Services (PACS) legal team. A benchmarking exercise has indicated that ESPO is the most favourable for a Call Off for plastic wheeled bins based on current usage.
3. Warrington Borough Council have a framework that has been used by LCC in the past but this framework has been deemed not currently fit for purpose by PACS.
4. The Council will conduct a call off from ESPO Framework 860 Refuse and Recycling Products incorporating LCC service specific evaluation criteria, physical testing and approved terms and conditions.

## **RECOMMENDATIONS**

The Chief Officer for Environmental Services is recommended to note the content of this report and under CPR 3.1.6 and 3.1.8 approve the commencement of a competitive tender process, using the evaluation criteria detailed, for the provision of a variety of wheeled bins and food waste caddies via a Call Off from ESPO Framework 860 Refuse and Recycling Products. The Call Off Contract will be for a period of 4 years with an estimated total value of £1.7M.

## **1 PURPOSE OF THIS REPORT**

- 1.1 The report aims to provide the Chief Officer with sufficient information to endorse the proposed approach set out in this report to ensure compliance with CPRs in respect of:
- Approval to conduct a procurement using an authorised third party framework
  - Approval to use a call off process to seek competition using the evaluation criteria detailed in this report.

## **2 BACKGROUND INFORMATION**

- 2.1 YPO Framework YPO551 Plastic Wheeled Bins has been used for the supply of wheeled bins and caddies since 2018. This framework expires in March 2021.
- 2.2 A benchmarking exercise between YPO and ESPO, the identified viable frameworks, has indicated that ESPO is the most favourable option for LCC in terms of pricing for key products.
- 2.3 The Warrington Framework that has been used before the current arrangement with YPO was disregarded due to inconsistencies and contradictions in the documentation.
- 2.4 The range of suppliers on the ESPO framework is sufficient to generate competition and best value for the Council. The framework is also set up in such a way that allows for the Councils own physical testing of products as part of the quality evaluation process.

## **3 MAIN ISSUES**

### **3.1 Procurement Compliance Issues**

- 3.1.1 CPR 3.1.6 and 3.18 require a delegated decision process to be undertaken in order to obtain approval to proceed with procurements including approval for the evaluation criteria that will be used. Call-offs from existing frameworks are also subject to this requirement. This report and associated delegated decision notice seeks to demonstrate this requirement is being met.

### **3.2 Call Off**

- 3.2.2 The proposed procurement strategy is to utilise the mechanism within the existing ESPO framework to undertake a call for competition requiring those organisations on the framework to re-submit bids and allows the Council to benefit from any additional price reductions that bidders may offer. There will be no opportunity for bidders to submit increased bids.
- 3.2.3 In terms of quality, the organisations on the framework will be re-issued with the original contract documentation however, the Council will also introduce service specific requirements and it will be this element where the quality of bids will be assessed.
- 3.2.4 A key requirement in order to pass minimum quality score thresholds will be for bidders products to be subjected to a physical testing process whereby their bins/containers will be inspected and exposed to intensified operating practices designed to reveal

any production/quality flaws. If any bins do not meet the specified requirements then that particular product will be removed from further consideration.

3.2.5 It is proposed that a 2 stage evaluation would be used as follows:

**1<sup>ST</sup> STAGE** will assess the “Product Details” element only, including the submission of the certificate of conformity with the relevant EN quality standard, and this will include a physical/practical testing of the products ensuring they meet minimum quality thresholds as determined by the testing methodology which will be published within the documentation. Only the bids that meet the required standard will be assessed in the second stage.

**2<sup>ND</sup> STAGE** will evaluate price and quality of all those meeting the minimum requirements of the physical testing process in the first stage. The quality element of this stage will include the scores achieved in the first stage and combine them with the scores achieved in the other quality aspects of stage 2 and the prices submitted on a 60% price/40% quality basis

3.2.1 The table below provides detail around the proposed quality weighting criteria

CRITERIA	TOTAL POINTS AVAILABLE	MINIMUM SCORE THRESHOLDS
<b>1. PRODUCT DETAILS (Considered in Stage 1 &amp; 2)</b>		
A. Performance against the practical/physical testing schedule (The actual content of this physical testing will be different for different products and is included in Appendix 2)	300	60% of the score available
<b>2. STORAGE AND DELIVERY (Considered in Stage 2 only)</b>		
A. Guaranteed delivery time from placing of orders.  (Bidders should take note of the specified minimum timescales however scores here will be based on the ability to improve on the specified timescales and the performance mechanism will be invoked if the commitment here is not met in practice)	35	N/A
B. Details of delivery practices including the following:  i. Offloading procedures and facilities (5 points)  ii. Delivery recording arrangements (5 points)  iii. Details regarding flexibility on batch sizes (5 points)  iv. H&S considerations (5 points)	20 Note sub criteria scores	N/A
C. Details regarding any guaranteed stock availability.	10	N/A

<b>D. Product quality control protocols and procedures.</b>	<b>35</b>	<b>60% of the score available</b>
<b>TOTAL</b>	<b>400</b>	

## **4 CORPORATE CONSIDERATIONS**

### **4.3 Consultation and Engagement**

4.3.1 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.

4.3.2 Officers from PACS legal team have been consulted to provide approval for the use of the framework and will continue to provide advice and recommendations throughout the procurement process to ensure compliance with CPRs.

### **4.4 Equality and Diversity / Cohesion and Integration**

4.4.1 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.

### **4.5 Council policies and City Priorities**

4.5.2 It is paramount that procurements in the authority are undertaken with a view to ensuring openness, transparency and fairness. The framework was originally established through a formal competitive exercise and the award was based on an evaluation which achieved a cost/quality balance which subsequently offers best value to the participating authorities. A call off further enhances the competitive element and the best value benefits for Leeds.

4.5.3 All appropriate governance arrangements will be followed throughout and this report forms part of that process. A second report will be submitted once the process is concluded and in order to gain approval prior to award.

4.5.1 This procurement contributes towards the aspirations in the Best Council Plan 20-25 which identifies an outcome of the plan to be for everyone in Leeds to live in clean and well cared for places. Appropriate waste containment is a key aspect of being able to deliver that outcome.

### **4.6 Resources and value for money**

4.6.2 By undertaking a formal tender process as described in this report an element of market competition has been introduced and this helps to drive down prices.

4.6.3 The evaluation criteria used for selecting service providers was developed by ESPO with a view to achieving a value for money arrangement for the participating authorities. The Chief Officer for Environmental Services should be satisfied that the proposed evaluation criteria within this report for the secondary competition exercise will also achieve a value for money outcome.

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

- 4.7.4 This report does not contain any confidential information.
- 4.7.5 Due to the annual value of the decision being estimated at approximately £450k this decision is being treated as a key decision and as such it has been posted on the Council's Forward Plan of Key Decisions. The Decision is not exempt from Call-in.
- 4.7.6 The decision to appoint contractors at the completion of the call off exercise will be reported to the Chief Officer for Environmental Services once the process is concluded. The type of decision will depend on how the awards are split between suppliers.
- 4.7.7 Officers from PACS Legal team have been consulted throughout this process. The original tender opportunity was advertised by ESPO in the Official Journal of the European Union (OJEU) as is required for a procurement of this value. An open and transparent process has been followed and will continue to be followed throughout the mini competition exercise proposed.

## **4.8 Risk Management**

- 4.8.8 A risk register has been developed and 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 Environmental Services.
- 4.8.9 It is imperative that a reliable quality source for wheeled bins is secured in order to maintain the collections infrastructure and a means for fulfilling our statutory duty to collect waste and recyclates from the kerbside of Leeds residents. The risk of not having this contracted arrangement secured is that the continued availability of wheeled bins and recycling products may be compromised, which will in turn affect the delivery of the front line collections service.
- 4.8.10 The mini competition process will provide a legally binding contract with the selected organisation on the framework and the terms of the contract will protect the Council against adverse performance issues, site availability issues, health and safety concerns, as well as securing the rates agreed.

## **5 CONCLUSIONS**

- 5.9 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 conducting a call off from the YPO framework for these items the Council is using the most appropriate approach to put in place secure formal contracts that are compliant with internal governance.

## **6 RECOMMENDATIONS**

- 7 The Chief Officer for Environmental Services is recommended to note the content of this report and under CPR 3.1.6 and 3.1.8 approve the commencement of a competitive tender process, using the evaluation criteria detailed, for the provision of a variety of wheeled bins and food waste caddies via a Call Off from ESPO Framework 860 Refuse and Recycling Products. The Call Off Contract will be for a period of 4 years with an estimated total value of £1.7M.

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

8.1 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.