

Report of: Business Officer (Waste Management Contracts)

Report to: Chief Officer Environmental Services

Date: 23 March 2021

Subject: Authority to call off from the YPO Framework 983 to direct award a contract for Various Sized Steel Wheeled Bins from Storm Environmental Ltd

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

SUMMARY

1. MAIN ISSUES

- The existing contract that deals with the supply of steel wheeled bins is due to expire at the end of March 2021 and therefore a replacement contract is required. 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.
- The Council's Contract Procedure Rules (CPRs) permits the use of existing third party OJEU compliant frameworks where a suitable one exists - Yorkshire Purchasing Organisation (YPO) and Eastern Shires Purchasing Organisation (ESPO) both have suitable arrangements that could be used and have been vetted by the LCC Procurement and Commercial Services (PACS) legal team (as required by CPR 12.2) and approved for use. A benchmarking exercise has indicated that YPO is the most favourable for steel wheeled bins based on current usage and that direct ordering as opposed to further competition is an appropriate approach in this specific case.

- The Council will order steel wheeled bins manufactured by Storm Environmental Ltd from YPO Framework 983 Lot 1 Supply of Steel Wheeled Refuse Containers.
- Utilising a compliant framework is the most appropriate and cost effective option at this time, to ensure that there is no lapse between current services and a replacement contract.

BEST COUNCIL PLAN IMPLICATIONS

- The appropriate contracting of key waste services supports the delivery of sustainable infrastructure under the Best Council Plan with the specific aim of reducing waste and increasing recycling.
- Appropriate waste collection services help to avoid anti-social behaviour and environmental crime issues which allows safe, strong communities and friendly city priorities to be met.
- Ensuring continuity in the provision of efficient waste services forms part of the Council's efforts to address the climate emergency situation which has been declared in Leeds, and contributes towards the Council's aspiration of becoming a carbon neutral city by 2030.

RESOURCE IMPLICATIONS

- The completion of the procurement exercise and the subsequent contract management of awarded contract will be undertaken by the Waste Management Contracts Team. The requirements of which have been identified in the Waste Management procurement strategy.

RECOMMENDATIONS

The Chief Officer for Environmental Services is recommended to note the contents of this report and under CPR 3.1.6 approve a direct call-off to Storm Environmental Ltd using Lot 1 of the YPO Framework 983 for a range of steel wheeled bins. The contract will be for a period of 4 years and has an estimated annual value of £66,250 with a potential total value of £265K, The contract will commence on the 1st April 2021 and expire on the 31st March 2025. No extensions will be available.

1 PURPOSE OF THIS REPORT

- 1.1 The report aims to provide the Chief Officer with sufficient information to endorse the proposed procurement approach set out in this report and to ensure compliance with the Council's CPRs.

2 BACKGROUND INFORMATION

- 2.1 Steel wheeled bins have been purchased directly from Storm Environmental Ltd under a waiver since March 2019, this waiver expires on the 31st March 2021 and a new procurement route needs to be identified to put a new contract in place.
- 2.2 The standard container provision from LCC is plastic wheeled bins of a range of sizes that can be tailored to individual requirements of a site. Plastic containers are cheaper than steel and are robust enough for general day to day requirements. However, on occasion steel bins are more appropriate to use than plastic. This can be for a variety of reasons, for example, if the risk of fire at a site is particularly high or if the location dictates something sturdier is required.
- 2.3 Approval of Terms and Conditions are needed for the use of any third party framework (per CPR 12.2) and this has already been secured from LCC's PACS legal team for the YPO 'Supply of Steel Wheeled Refuse Containers' 983 Framework.

3 MAIN ISSUES

3.1 Procurement Compliance Issues

- 3.1.1 CPR 3.1.6 requires a delegated decision process to be undertaken in order to obtain approval to proceed with a recommended procurement route. This report and associated delegated decision notice seeks to demonstrate this requirement is being met.

3.2 Direct Ordering

- 3.2.2 The proposed procurement strategy is to utilise the call-off mechanism within the existing YPO framework to direct order steel wheeled bins. Direct ordering is permitted under this framework and has been determined as the most appropriate procurement route following a benchmarking exercise led by the Procurement Team.
- 3.2.3 The benchmarking exercise scrutinised the YPO, ESPO, and Warrington steel wheeled bin frameworks. Storm Environmental Ltd are the cheapest supplier on the YPO framework for the current LCC usage and as the existing provider they have a proven track record of quality products and customer service standards.
- 3.2.4 Direct ordering was selected over a mini competition exercise as LCC orders are relatively small so there is unlikely to be enough of a benefit to justify the resource needed for a procurement exercise.

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.
- 4.1.2 Officers from PACS legal team have been consulted to provide approval for the use of the YPO framework (as required by CPR 12.2).

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 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.
- 4.3.2 All appropriate governance arrangements will be followed throughout and this report forms part of that process.
- 4.3.3 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.
- 4.3.4 Climate Emergency

This contract is needed to maintain the Waste Services provided by Leeds City Council. The emphasis in contracts of this kind is the appropriate use of sustainable infrastructure to allow the delivery of efficient waste services that form part of the wider environmental strategy. Ensuring continuity in services, particularly recycling, forms part of the Council's efforts to address the climate emergency situation in Leeds, and contributes towards the Council's aspiration of becoming a carbon neutral city by 2030.

4.4 Resources, procurement and value for money

- 4.4.1 The evaluation criteria used for establishing the framework was developed by YPO with a view to achieving a value for money arrangement for the participating authorities. Although a direct award is proposed, value for money has been compared through a benchmarking exercise led by the LCC Procurement Team. The absence of competition means that pricing is not necessarily going to be as competitive as it would be using a full procurement or mini-competition process. However, the benchmarking exercise has helped to mitigate this risk by allowing a comparison of the bins. The Chief Officer for Environmental Services should be satisfied that direct ordering from the YPO framework offers LCC that same value for money.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report does not contain any confidential information and there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 The annual value of the decision has been estimated at just over £66k with a total potential value of £265k and is therefore being treated as a Significant Operational Decision. The decision is not subject to Call-in.
- 4.5.3 Officers from PACS have been consulted throughout this process. The original tender opportunity for the YPO framework was advertised by YPO in the Official Journal of the European Union (OJEU) as is required for a procurement of this value and LCC can direct award within the framework terms. An open and transparent process has been followed and will continue to be followed throughout the direct award proposed. It is important that a compliant tender process is followed, especially when doing a direct award.
- 4.5.4 In making their final decision, the Chief Officer for Environmental Services should note the contents of this report and be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk Management

- 4.6.1 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.
- 4.6.2 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 may be compromised, which will in turn affect the delivery of the front line collections service. The current waiver expires on 31st March 2021, therefore if the recommended approach is not approved then the Council will incur significant levels of non-contract, non-compliant spend whilst an alternate approach is reviewed
- 4.6.3 The direct award process will provide a legally binding contract with Storm Environmental Ltd and the terms of the contract will protect the Council against adverse performance issues, health and safety concerns, as well as securing the rates agreed.

5 CONCLUSIONS

- 5.1 The provision of steel wheeled bins is an important part of waste management infrastructure that needs to be properly managed to ensure effective and efficient services can be delivered. By direct ordering steel wheeled bins from the YPO framework the Council is using the most appropriate approach to put in place a secure formal contract that is compliant with internal governance.

6 RECOMMENDATIONS

The Chief Officer for Environmental Services is recommended to note the contents of this report and under CPR 3.1.6 approve a direct call-off to Storm Environmental Ltd using Lot 1 of the YPO Framework 983 for a range of steel wheeled bins. The contract

will be for a period of 4 years and has an estimated annual value of £66,250 with a potential total value of £265K, The contract will commence on the 1st April 2021 and expire on the 31st March 2025. No extensions will be available.

6.1 **BACKGROUND DOCUMENTS**¹

6.1 EDCI Assessment form

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.