

Award of **60180** – 240lt Plastic Wheeled Bin Supply Contract – Call Off from ESPO Framework 860-22 Refuse and Recycling Products (including Wheeled Bins) to One51 ES Plastics (UK) Limited T/A MGB Plastics.

Date: 27th January 2023

Report of: Business Officer (Waste Management Contracts)

Report to: Chief Officer Environmental Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- A procurement exercise has been conducted for 240lt plastic wheeled bins.
- One 51 ES Plastics UK Limited T/A MGB Plastics, the existing supplier, have been successful according to the pre-determined evaluation process and are holding their current rates.
- The contract is for 1 year with 2 x 12 months extension options.
- The Chief Officer for Environmental Services is recommended to approve the award of the contract to One 51 ES Plastics UK Limited T/A MGB Plastics.

Recommendations

- a) The Chief Officer for Environmental Services is recommended to note the contents of this report and approve the appointment of One51 ES Plastics UK Limited T/A MGB Plastics under contract 60180 240lt Plastic Wheeled Bin Supply Contract, Call Off from ESPO Framework 860-22 Refuse and Recycling Products (including wheeled bins). The contract will run from 1st December 2022 until 30th November 2023 with options to extend by 2x12 months. The approximate total value including extension options is £1.4 million.

What is this report about?

- 1 The existing arrangements for the supply of 240lt plastic wheeled bins is due to expire at the end of November 2022. The current supplier is One51 ES Plastics (UK) Limited T/A MGB Plastics. 240lt plastic bins are standard household bins issued to residents in Leeds so a very high use item that is integral to providing effective waste management services.
- 2 A procurement has been undertaken to establish a replacement contract for this service. The tender was issued to all suppliers on the ESPO Framework 860-22 Refuse and Recycling Products (including wheeled bins) on 21st October 2022 with a return date of 7th November 2022. Bids were received from three providers by the tender deadline. The procurement could be compressed as it had been completed within the last 12 months so elements such as the physical testing of any samples included in the last procurement were not necessary as products had not changed.
- 3 The contract is set up for a year with two 12-month extension options, these annual break points offer flexibility that protects both the bidders and the Council in what has been a volatile market in the past 18 months.
- 4 The procurement was evaluated using the price and quality separator approach by a panel on a consensus basis. One submission received was deemed non compliant and was not fully evaluated in line with the Tender Instructions. Of the two remaining submissions One51 ES Plastics (UK) Limited T/A MGB Plastics passed the required threshold at quality stage and submitted the lowest price so are recommended to be awarded this contract. One 51 ES Plastics (UK) Limited T/A MGB Plastics have held their existing rate so this option represents value for money for the Council. The annual cost is £468K.
- 5 The provision of household wheeled bins is a key function of Waste Management so appropriate contracting arrangements need to be in place to ensure guaranteed service levels and pricing. Putting this contract in place also protects quality standards of the containers provided by ensuring bins meet BSEN840 and are manufactured in accordance BS EN ISO 9001 and all carry a minimum of 7 years warranty. This is further backed up by the contract Terms and Conditions which include mechanisms for Critical Service Failure.
- 6 The Chief Officer for Environmental Services is recommended to approve the award of this Call Off contract to One51 ES Plastics (UK) Limited T/A MGB Plastics in line with Contract Procedure Rule (CPR) 18.6.
- 7 The appropriate contracting of key services supports the delivery of sustainable infrastructure under the Best Council Plan with the specific aim of reducing waste and increasing recycling. Establishing a new contract also indirectly supports a number of other priorities. Suitable waste containment helps to avoid anti-social behaviour and environmental crime issues which allows safe, strong communities and friendly city priorities to succeed.

What impact will this proposal have?

- 8 The proposal allows essential frontline services to be maintained across the city.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 9 An appropriate wheeled bin contract is needed to maintain efficient and effective frontline services provided by Leeds City Council's Waste Management Team for the kerbside collection of household waste. The emphasis in contracts of this kind is to provide the necessary infrastructure to maximise carbon savings through adherence to the waste hierarchy where re-use and recycling is selected as the preferred method for dealing with wastes ahead of other waste disposal or treatment technologies.

- 10 This approach supports efforts made to combat 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.

What consultation and engagement has taken place?

Wards affected: N/A

Have ward members been consulted? Yes No

- 11 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 the only consultation to date has been with officers from Procurement and Commercial Services.

What are the resource implications?

- 12 The services under the framework have been adequately budgeted for over the duration of the contract and a cautious budget had been set in response to the instability in the wheeled bin market.
- 13 The Finance Business Partner for Waste Management will be kept up to date with supplier information that may influence price for the contract duration and will be able to advise the wider resource strategy accordingly. The Business Partner is comfortable that the Call Off prices can be delivered in the current budget and represent value for money for the Council as not awarding to One51 ES Plastics (UK) Limited T/A MGB Plastics would result in significant extra cost to the Council due to the prices submitted by other bidders.
- 14 The contract management of the awarded contract will be undertaken by the Waste Management Contracts Team, the requirements of this have been identified in the Waste Management Procurement Strategy.

What are the key risks and how are they being managed?

- 15 If the recommendation to award the replacement contract 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 the provision of key product needed to deliver frontline operational services.
- 16 A risk register has been developed and will continue to be maintained throughout the Call Off contract, the framework and the longer-term procurement strategy. The main risk for this contract at the moment is market volatility and the subsequent risk pricing that may occur during extension periods. High or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.
- 17 It is important that a reliable provider that guarantees pricing and maintains service standards is delivered. The risk of not having appropriate arrangements has both an operational impact considering front line services and a financial one in terms of spot pricing and lack of contract security.

What are the legal implications?

- 18 Officers from Procurement and Commercial Services have been consulted throughout this process and will continue to be engaged to ensure all legislative requirements surrounding Public Procurement Regulations have been adhered to.

19 As a Key Decision this Delegated Decision Report is subject to Call-In and will be published on the register of decisions. A notice of a forthcoming key decision was published on 17th October 2022. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

Options, timescales and measuring success

What other options were considered?

20 As the current contract is due to expire the alternative to awarding a new contract is to run without formal contract arrangements in place. In this scenario the council does not have the protection that a contract provides and will be vulnerable to poor service standards and spot pricing.

How will success be measured?

21 Success will be measured through the lack of disruption for the provision of key services and through the budget pressure for this area being minimised.

What is the timetable and who will be responsible for implementation?

22 The contract will run from 1st December 22 until 30th November 23 with options to extend for a further 2 x 12 months.

Appendices

- Equality Assessment.

Background papers

- none