

Extension of **60180** - 240lt Plastic Wheeled Bin Supply Contract – Call Off from ESPO Framework 860-22 Refuse and Recycling Products (including Wheeled Bins) to IPL Plastics (UK) Ltd.

Date: 10<sup>th</sup> September 2024

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

- IPL Plastics (UK) Ltd. hold the current contract for the supply of 240lt wheeled bins.
- The contract is for a period of 1 year with 2 x 12 month extension options.
- The initial contract came to an end in November 2023 and the decision was taken to utilise the first 12 month extension option. A further decision about utilising the remaining 12 month extension option needs to be made.
- The contractor has performed well during the contract period and have agreed to continue under current terms, including holding rates.
- The Chief Officer for Environmental Services is recommended to approve the award of the final 12 month contract extension to IPL Plastics (UK) Ltd.

## Recommendations

The Chief Officer for Environmental Services is recommended to note the contents of this report and approve the award of a 12 month contract extension to IPL Plastics (UK) Ltd. under contract 60180 240lt Plastic Wheeled Bin Supply Contract, Call Off from ESPO Framework 860-22 Refuse and Recycling Products (including wheeled bins). The extension will run from 1<sup>st</sup> December 2024 until 30<sup>th</sup> November 2025 and has an approximate value of £655K.

## What is this report about?

- 1 The existing arrangements for the supply of 240lt plastic wheeled bins are due to expire at the end of November 2024. 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 The original contract included 2 x 12-month extension options, these annual break points were incorporated into the contract term to offer flexibility that protects both the bidders and the Council in what has previously been a volatile market. The first 12-month extension has already been utilised.
- 3 IPL Plastics (UK) Ltd. have agreed to hold their existing rate for the duration of the second contract extension period. This represents value for money for the Council as it retains a rate offered through a competitive procurement and is an improvement on rates available through framework direct ordering of approximately £26.5K.
- 4 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 by ensuring bins meet BSEN840 and are manufactured in accordance BS EN ISO 9001 and all carry a minimum of 7 years warranty.
- 5 The Chief Officer for Environmental Services is recommended to approve the award of this 12-month extension to IPL Plastics (UK) Ltd. in line with Contract Procedure Rule (CPR) 18.6.
- 6 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?

- 7 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

- 8 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.
- 9 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

10 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?**

- 11 As the contract price has been retained for the contract extension this award does not create an additional budget pressure for Environmental Services.
- 12 The contract value of £655K has been estimated based on current bin usage, however, there are wider resource issues for consideration. The capital scheme for providing bins this year has been set at £520K and will fall short of the current 10-year programme without further borrowing, a separate piece of work will be completed to review the increasing pressure from providing bins and determine how this will be managed financially, which may in turn alter the contract value.
- 13 The finance team will be kept up to date with supplier information that may influence pricing for any future contracts and will be able to advise the wider resource strategy accordingly.
- 14 The Finance Business Partner is comfortable that this award represents value for money for the Council as not extending to IPL Plastics (UK) Ltd. would result in additional costs through direct ordering from other frameworks.
- 15 The contract management of the awarded contract will continue to 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?**

- 16 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.
- 17 If the recommendation to award an extension 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.
- 18 A risk register has been developed and will continue to be maintained throughout the extension, and the longer-term procurement strategy. The main risk for this contract is market volatility, which can only be monitored rather than reduced or controlled. High or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.

### **What are the legal implications?**

- 19 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.
- 20 This is a publishable admin decision as a direct result of a previously taken key decision ref D52822 "Procurement for various plastic wheeled bins" and therefore not open to call-in

### **Options, timescales and measuring success.**

#### **What other options were considered?**

- 21 The alternative to extending the current contract is to either run without formal contract arrangements in place or direct order from an established external framework. Without an agreed contract in place the council does not have the protection that a formal arrangement

provides and will be vulnerable to poor service standards and spot pricing. By direct ordering from an external framework the Council would have more security in agreed standards but would be paying a higher rate for the same products.

**How will success be measured?**

22 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?**

23 The contract extension will run from 1<sup>st</sup> December 2024 until 30<sup>th</sup> November 2025

**Appendices**

- EDCI

**Background papers**

- none