

North Lanarkshire Council Report

Environment and Climate Change Committee

Does this report require to be approved? Yes No

Ref: AM/LO

Date: 09 November 2022

Contract Award for Supply and Delivery of Household Waste Bins

From Andrew McPherson, Head of Regulatory Services and Waste Solutions

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Executive Summary

Environment and Climate Change Committee (the "Committee") is asked to approve the award of a contract for Supply and Delivery of Household Waste Bins (the 'Contract') to SSI Schaefer Limited.

The Contract is for an initial period of 36 months and anticipated to commence on 28 November 2022. The Council reserves the right to extend the Contract for additional periods up to a maximum of a further 24 months.

The value of the Contract shall not exceed £1,500,000.00 (One Million, Five Hundred Thousand Pounds Sterling) exclusive of VAT. The value of the Contract is pertinent to demand therefore the Contract will end either when the maximum value is met or when the term of the Contract expires, whichever comes first.

Recommendations

It is recommended that Committee:

- Approves the award of the Contract for the Supply and Delivery of Household Waste Bins to SSI Schaefer Limited. at the maximum value of £1,500,000.00 (One Million, Five Hundred Thousand Pounds Sterling) exclusive of VAT.

This recommendation follows the completion of a procurement procedure, where the tender recommended for award has been evaluated as providing the most economically advantageous tender in terms of cost and quality for the Council.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition Statement (17) Ensure we keep our environment clean, safe, and attractive

1. Background

- 1.1 The Council has a statutory obligation to provide households with wheeled bins to dispose and recycle their household waste. Waste Solutions provides households with three different recycling bins (Paper / Card, Glass, Metal & Plastics & Food / Garden) to enable them to recycle their recyclable household waste materials and a general waste bin to enable them to dispose of their general refuse.
 - 1.2 In 2021-22, the Council ordered 13,828 household wheeled bins to enable continuous delivery of its four residential waste disposal / recycling streams.
 - 1.3 The Council provides its three types of recycling bins free of charge to residents however residents are charged for general waste bins.
 - 1.4 The requirements within the Contract have been procured on an ad-hoc basis from various generations of "Recycle and Refuse Containers" framework agreements developed and implemented by Scotland Excel. Requirements have been purchased on an ongoing basis and the Contract will formalise and streamline future demand and purchasing arrangements.
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2. Report

- 2.1 A user intelligence group (the 'UIG') of technical and procurement representatives was formed to review technical specifications, discuss trading processes, market conditions and trends, ways to maximise community benefits and sustainability and to agree the procurement strategy that would deliver maximum benefit for the Council via the Contract.
- 2.2 The initial estimated value of the Contract dictated that the procurement procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015.
- 2.3 The procurement procedure was undertaken as a "Direct Award" from the Scotland Excel framework agreement for Recycle and Refuse Containers (0721), Lot 1 – 2 Wheeled Bins (the "Framework").
- 2.4 The Contract award recommendation is made following analysis undertaken by benchmarking current rates from suppliers appointed to the Framework against the Council's annual usage figures from 2021, quality scores obtained by suppliers appointed to the Framework and compliance with the Council's specification. Accordingly, the Contract award recommendation is made following a direct award call-off procedure (as permitted within the Framework) to the supplier determined to be the most economically advantageous following this benchmarking analysis undertaken.
- 2.5 It is recommended that the Contract is awarded to SSI Schaefer Limited.
- 2.6 Further details of the procurement procedure are provided in Appendix 1 and 2.
- 2.7 The Contract is for an initial period of 36 months anticipated to commence on 28 November 2022. The Council reserves the right to extend the Contract for additional periods up to a maximum of a further 24 months.

- 2.8 The value of the Contract shall not exceed £1,500,000.00 (One Million, Five Hundred Thousand Pounds Sterling) exclusive of VAT. The value of the Contract is pertinent to demand therefore the Contract will end either when the maximum value is met or when the term of the Contract expires, whichever comes first.
- 2.9 The costs associated with contract delivery will be contained within the revenue budget for Regulatory Services and Waste Solutions with some costs offset by resident charges for general waste bins.

Price Savings / Increases

- 2.9 Within the pre-tender benchmarking analysis, proceeding with SSI Schaefer Limited on a direct award basis indicated a circa 14% cost avoidance saving against the next ranked supplier utilising their Framework rates. Within the direct award procurement procedure, a further 0.80% (circa £3,000 per annum) cash saving was received following reduction of rates submitted by SSI Schaefer Limited within their tender against their Framework rates.

Price Stability

- 2.10 Rates received shall be firm for the initial 12-months of the Contract. Subsequent to that initial period, there is provision within the Contract for SSI Schaefer Limited to request an annual review of their submitted rates, however, these will require to be no greater than the current National Retail Price Index. It will be at the sole discretion of the Council whether to accept or reject any pricing amendments proposed.

Community Benefits

- 2.11 The Council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.
- 2.12 Within their tender, SSI Schaefer Limited committed to deliver the following community benefits within the Contract:

Community Benefit Type	Quantity Committed
Financial Support for a Community Project / Organisation	1

- 2.13 The community benefit delivered as part of the Contract does not include the creation of jobs or apprenticeships.

Fair Work First

- 2.14 Within their tender submission and to gain entry to the Framework, SSI Schaefer Limited demonstrated a number of fair working practices within their organisation.

Contract Strategy

- 2.15 Officers from Waste Solutions will be responsible for managing the Contract which will be undertaken in accordance with the Council's agreed approach to contract and supplier management.
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3. Measures of success

The Contract will deliver the following outcomes:

- 3.1 The appointment of a supplier who has the experience and capability to deliver a high quality service for the Council's waste bin provision that will deliver the minimum demand expectations of the Contract;
- 3.2 The Contract award procedure is compliant with the procurement legislation and internal procedures;
- 3.3 That best value is both demonstrable and achieved;
- 3.4 That the Contract secures a community benefit;
- 3.5 That the Contract performance shall be proactively managed to ensure high performance, consistency and demand expectations are met; and
- 3.6 A collaborative approach to the procurement of the requirements, minimising the burden on internal resource and leveraging the economies of scale.
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4. Supporting documents

- Appendix 1** Summary of Procurement Process
Appendix 2 SME Status and Location of All Tenderers
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Andrew McPherson
Head of Regulatory Services and Waste Solutions

5. Impacts (<http://connect/report-template-guidance>)

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes No

5.2 Financial Impact

Does the report contain any financial impacts?

Yes No

If Yes, have all relevant financial impacts have been discussed and agreed with Financial Solutions?

Yes No

If Yes, please provide a brief summary of the impact?

The Council has a statutory obligation to provide households with wheeled bins to dispose and recycle their household waste. Accordingly, the requirements of the Contract are accounted for within existing revenue budgets for Waste Solutions.

5.3 HR Policy Impact

Does the report contain any HR policy or procedure impacts?

Yes No

5.4 Legal Impact

Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)?

Yes No

5.5 Data Protection Impact

Does the report / project / practice contain or involve the processing of personal data?

Yes No

5.6 Technology / Digital Impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes No

5.7 Environmental / Carbon Impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

5.8 Communications Impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

5.9 Risk Impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

Appropriate contract monitoring shall be undertaken to ensure full compliance with the terms of the Contract.

Appendix 1 – Summary of Procurement Process

	Response
Procurement Procedure Utilised:	Direct Award
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015
Date Contract Strategy Approved:	07 September 2022
Date ITT Published:	08 September 2022
Number of Companies Invited to Take Part:	1
Tender Return Deadline:	21 September 2022
Number of Tenders Received:	1
Where Only One Tender Is Received, Why?	Direct Award – Only One Company Invited to Participate in the Procedure
Tenders Received from SME's:	0
Tenders Received from NLC Based Tenderers:	0
Number of Non-compliant Tenders:	0
Number of Compliant Tenders:	1
Number of Recommended Tenderers:	1
Evaluation Team:	Officers from Waste Solutions, Regulatory Services and Waste Solutions
Anticipated Contract Start Date:	28 November 2022
Total Contract Period (Months):	36 + 12 + 12
Maximum Total Contract Value:	£1,500,000.00

Appendix 2 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
SSI Schaefer Limited	Large	Hampshire