

Finance and Resources Committee

10.00am, Thursday, 4 March 2021

Contract Award – Purchase and Refurbishment of Communal Bins

Executive/routine	Executive
Wards	All
Council Commitments:	18, 25

1. Recommendations

- 1.1 Finance and Resources Committee is asked to:
- 1.1.1 approve the award of contracts for:
 - 1.1.1.1 the Supply of Communal Bins and Spare Parts (Lot 1) to Storm Environmental Ltd;
 - 1.1.1.2 the Supply of Bin Housings & Spare Parts (Lot 2) to Wybone Ltd; and
 - 1.1.1.3 the Provision of a Refurbishment Service for Existing Communal Bins (Lot 3) to Storm Environmental Ltd.
 - 1.1.2 Note that the initial contract period (for all Lots) is two years, with the option to extend for two further 12-month periods, with a total maximum anticipated contract value (including extensions) of £3,000,000.

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Executive Director of Place

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Report

Contract Award – Purchase and Refurbishment of Communal Bins

2. Executive Summary

- 2.1 Following a tendering exercise, this report seeks approval from the Finance and Resources Committee for the award of seven contracts for the provision, repair and refurbishment of communal bins. The total value of these contracts is expected to be £3,000,000 over the four-year duration of the contract (including extensions).

3. Background

- 3.1 The Communal Bin Review (CBR) is a city-wide project aiming to provide a fully integrated waste and recycling service, including access to mixed recycling and glass and food waste recycling, which is not currently widely available to flats and multi-occupancy properties.
- 3.2 As part of the CBR project, a review of the current communal bin stock is underway, inspecting and then (as required) relocating, refurbishing and replacing bins, with a view to providing fit for purpose and future proofed communal waste and recycling facilities. Where required additional communal bins and bin housings will be also be provided.
- 3.3 In order to provide the goods and services required for the project contracts for the supply of a range of items is required.
- 3.4 With a view to achieving value for money through economies of scale, it is intended that use of the contracts will extend beyond the CBR project for other Waste and Cleansing services (e.g. supply of spare parts, replacements for damaged bins, and provision of bins for new developments) throughout the contract period.

4. Main report

- 4.1 Commercial and Procurement Services (CPS) conducted a mini competition utilising the Scotland Excel (SXL) Framework for Recycle and Refuse Containers (Ref: 0117).

- 4.2 Prior to their appointment to the SXL framework, all suppliers were pre-vetted to ensure that they satisfied the requirements necessary for the delivery of the goods and services, including consideration of financial probity (relating to insurance and financial standing), health and safety and environmental management.
- 4.3 With a view to making the opportunity accessible to as many SXL framework suppliers as possible, the contract opportunity was split into Lots as shown in the following table:

Lot	Description
Lot 1	Sub-Lot 1A – Supply of 1280L and 1100L black metal wheeled bin with black lid, wider aperture & spare parts.
	Sub-Lot 1B – Supply of 1280L and 1100L black metal wheeled bin with green reverse lid with recycling aperture & spare parts.
	Sub-Lot 1C - Supply of 1280L green reverse lid with recycling aperture to fit any manufacturer's 1280L body bin.
	Sub-Lot 1D - Supply of 660L black metal wheeled bin with purple lid (for glass) with twin brush aperture and spare parts.
	Sub-Lot 1E – Supply of 500L black metal wheeled bin with food waste grey lid and spare parts.
Lot 2	Supply of bin housings and spare parts.
Lot 3	Provision of a refurbishment service for existing communal bins.

- 4.4 On 16 December 2020, the Mini Competition Invitation was issued through the Public Contracts Scotland (PCS) portal, to the suppliers named on the relevant Lots of the aforementioned SXL framework, with a tender submission deadline of 20 January 2021.
- 4.5 Tenderers were invited to bid for each Lot/Sub-Lot and were advised that one supplier may be awarded the contract for one or more.
- 4.6 In order to identify the most economically advantageous tender(s) submissions were assessed on the basis of 20% Quality and 80% Cost. This Quality/Cost ratio was applied because there was limited flexibility to alter the originally tendered Quality/Cost Ratio in the SXL Framework Agreement, under which the mini competition was conducted. Also, the service specification was detailed, referencing regulated industry standards that all suppliers were expected to meet, therefore a higher emphasis on quality was not considered necessary
- 4.7 A summary of the tender and evaluation process is attached in Appendix 1 and the table below shows the weighted scores awarded to each tender following evaluation:

Lot	Tenderer	Cost (Max. 80%)	Quality (Max.20%)	Total	Ranking
Lot 1A	Storm Environmental Ltd	80.00	16.00	96.00	1
	Tenderer 2	67.39	15.00	82.39	2
Lot 1B	Storm Environmental Ltd	80.00	17.75	97.75	1
	Tenderer 2	61.39	15.00	76.39	2
Lot 1C	Storm Environmental Ltd	80.00	17.75	97.75	n/a
Lot 1D	Storm Environmental Ltd	80.00	17.75	97.75	1
	Tenderer 2	63.23	15.00	78.23	2
Lot 1E	Storm Environmental Ltd	80.00	16.00	96.00	1
	Tenderer 2	76.43	15.00	91.43	2
Lot 2	Wybone Ltd	80.00	16.75	96.75	n/a
Lot 3	Storm Environmental Ltd	80.00	14.75	94.75	n/a

4.8 With regards to Lot 3 (Provision of a Refurbishment Service for Existing Communal Bins), Storm Environmental Ltd propose a sub-contract solution whereby they intend to sub-contract the refurbishment element of the service to UK Container Maintenance Ltd (UKCM) who have the largest container refurbishment plant of its kind in the United Kingdom. Storm Environmental Ltd will retain overall responsibility for management of the contract. This solution was deemed to be acceptable as it offers:

4.8.1 value for money (demonstrated by a comparison against informal pricing sought prior to commencement of the procurement process);

4.8.2 continuity in terms of contract management; and

4.8.3 continuity in terms of supply (Storm Environmental Ltd will supply lids and spare parts to UKCM for placement on refurbished bins and provide warranty cover on these part as a result).

4.9 In addition to the checks carried out for inclusion in the SXL framework, financial probity checks (relating to financial stability and insurance) have also been undertaken to confirm UKCM's suitability.

5. Next Steps

5.1 Subject to Committee approval, these contracts will commence on 22 March 2021. This will allow implementation of the CBR project to begin as well as assisting the

Council in meeting its statutory obligations with regards to the collection, treatment and disposal of waste and recycling materials.

- 5.2 The Contracts and Grants Management team (CAGM) and the Contract Manager will ensure that effective contract management is delivered throughout the contract lifecycle. A Contract Management and Handover Report, detailing the necessary steps and measures, will be produced and agreed. It is envisaged that proactive contract management (to include robust monitoring of all appropriate management information, key performance indicators and budget/savings tracking) will assist in the delivery of an effective and efficient service for the City of Edinburgh throughout the duration of the contact.

6. Financial impact

- 6.1 The maximum anticipated contract value (total for all Lots/Sub-Lots) is estimated to be £3,000,000 over the maximum contract period (including potential extensions). This total includes a 3.3% uplift to allow for the potential variation in contract usage which may occur during the contract period. The cost of this will be met from the Waste and Cleansing budget.
- 6.2 It should be noted that the spend will be significantly higher in the first two years of the contracts and will then decrease once the CBR project is complete.
- 6.3 To calculate the contract value and estimated savings, estimated volumes were provided within the tender documentation (taking into account both projected CBR and business as usual usage).
- 6.4 Tendered prices were applied to the estimate volumes to establish an estimated total cost for each tender.
- 6.5 Tenderers were advised that the volumes provided were anticipated estimates only and not a guarantee of actual volumes, which may vary.
- 6.6 Prices tendered by the recommended suppliers represent an estimated overall saving of £428,283 across all of the Lots assuming the contract runs for four years.
- 6.7 In addition to the aforementioned benefits, further savings may be achieved as:
- 6.9.1 Storm Environmental Ltd and Wybone Ltd have offered a blanket percentage discount against SXL dashboard pricing for spare parts of 10% and 25% respectively; and
 - 6.9.2 Storm Environmental Ltd are offering the opportunity to purchase refurbished bins (under Lots 1A, 1B and 1E) at a lower price (subject to availability)
- 6.8 During the contract period the Contract Manager will be responsible for the tracking “actual” savings, which will be dependent on contract usage.
- 6.9 The costs associated with procuring the proposed contract are estimated to be between £10,000 and £20,000.

7. Stakeholder / Community Impact

- 7.1 The citywide CBR project will affect around half of the city's residents and the following engagement was undertaken prior to commencement of the procurement process:
- 7.1.1 Elected Member and Internal Stakeholder Engagement - As reported to the Transport and Environment Committee on [5 December 2019](#), a 'Show Case' of communal bins was held at the Seafield Depot for Elected Members and Internal Stakeholders. The event included a presentation on the progress and next steps project and different types of communal bins, bin housings and screens were displayed. In total around 30 people attended. Feedback from this was collated and incorporated into the specification which was approved by Transport and Environment Committee on [27 February 2020](#); and
- 7.1.2 Community Engagement - As reported to the Transport and Environment Committee on [12 November 2020](#), Changeworks and the Council's Waste and Cleansing Team collaborated to deliver a series of on-street community engagement events across Edinburgh to inform the public about planned improvements to their waste and recycling service as part of the Council's CBR project. In addition, a "Residents' of Edinburgh" Communal Recycling Consultation was carried out by Changeworks in 2018 and reported to Transport and Environment Committee on [9 August 2018](#).
- 7.2 Concept Testing was also undertaken as detailed within the following two reports:
- 7.2.1 Albert Street – Concept Testing which was reported to Transport and Environment Committee on [20 June 2019](#) (Appendix 4); and
- 7.2.2 Concept testing monitoring summary which was included in the update report on 5 December 2019 (Appendix 1).
- 7.3 The award of these contracts will contribute to the realisation of Council Commitments numbers 18 (improve Edinburgh's air quality and reduce carbon emissions) and 25 (increase recycling to 60% from 46% during the lifetime of the administration).
- 7.4 Both of the recommended suppliers have committed to provide Community Benefits. Examples of community benefits offered include donations to a local food bank, community engagement events and working with schools to offer work experience. Community benefit delivery will be monitored throughout the life of the contract.
- 7.5 Both recommended suppliers have also confirmed that they intend to pay workers (including any agency or sub-contractor workers) the Real Living Wage (as has UKCM).
- 7.6 There are no negative impacts on carbon, adaption to climate change and sustainable development arising directly from this report. Improvement in the quality of the waste and cleansing services will contribute towards reducing the amount of

waste disposed of to landfill or energy recovery, increasing the amount of recycling and improving the quality of Edinburgh's local environment. In addition, increasing the amount of waste recycled is expected to support delivery of the Council's carbon reduction target.

- 7.7 The procurement process followed is compliant with all relevant regulations as well as the Council's Contract Standing Orders. The risk of legal challenge relating to this procurement has therefore been minimised.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Purchase and Refurbishment of Communal Bins ref: CT0858	
Contract period (including any extensions)	22 March 2021 to 21 March 2023 with two optional twelve-month extensions (2 + 1 + 1)	
Maximum Anticipated Contract Value (including any extensions)	£3,000,000	
Procurement Route Chosen	Mini Competition utilising the Scotland Excel Framework for Recycle and Refuse Containers (Ref: 0117)	
Tenders Returned	Lot 1A	2
	Lot 1B	2
	Lot 1C	1
	Lot 1D	2
	Lot 1E	2
	Lot 2	1
	Lot 3	1
Recommended Suppliers	Lot 1 A to E	Storm Environmental Ltd
	Lot 2	Wybone Ltd
	Lot 3	Storm Environmental Ltd
Price / Quality Ratio	Price 80%	Quality 20%
Price / Quality Ratio Rationale	Ratio established by Scotland Excel at framework level	
Evaluation Criteria and Weightings (Lots 1 & 2)	Quality Criteria	Weighting
	Product Offered	35%
	Product Quality & Warranty (including replacement policy)	25%
	Product Lead Time & Delivery (including potential Brexit Impact on delivery and related contingency)	25%

	Contract Management	10%
	Community Benefits	5%
Selection & Evaluation Criteria and Weightings (Lot 3)	Selection Criteria	Pass/Fail
	Ability & Capacity to Deliver the Specified Service (including experience of delivering similar contracts)	Pass
	Quality Criteria	Weighting
	Service Delivery Methodology	30%
	Process Timeframe (including potential Brexit Impact on delivery and related contingency)	30%
	Refurbished Product Quality & Warranty (including replacement policy)	25%
	Contract Management	10%
	Community Benefits	5%
Evaluation Team	Three officers from the Council's Waste and Cleansing Service	