

# Finance and Resources Committee

**10.00am, Thursday, 7 October 2021**

## Contract Award – Supply of Wheeled Bins and Kerbside Boxes

<b>Executive/routine</b>	Routine
<b>Wards</b>	All
<b>Council Commitments:</b>	18, 25

### **1. Recommendations**

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- 1.1 It is recommended that Finance and Resources Committee approves the award of contracts for the:
  - 1.1.1 Supply of Household 2-Wheeled Bins (and spare parts) (Lot 1) to One51 ES Plastics (UK) T/A MGB Plastics;
  - Supply of Communal 2-Wheeled Bins (and spare parts) (Lot 2) to Craemer UK Ltd;
  - 1.1.3 Supply of Food Waste Caddies for Kitchen Waste (Lot 3) to Straight Manufacturing Ltd;
  - 1.1.4 Supply of Kerbside Boxes (Lot 4) to Straight Manufacturing Ltd; and to
  - 1.1.5 Note that the initial contracted duration (for all Lots) is two years, with the option to extend for two further years in one year increments. The maximum anticipated value overall (for all Lots and including extensions) is £1,823,000.

**Paul Lawrence**

Executive Director of Place

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# Report

## Contract Award – Supply of Wheeled Bins and Kerbside Boxes

### **2. Executive Summary**

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- 2.1 Following a tendering exercise, this report seeks approval from the Finance and Resources Committee for the award of four contracts for the supply of kerbside bins. The total value of these contracts is expected to be £1,823,000 over the four-year duration (including extensions).

### **3. Background**

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- 3.1 To meet its obligations under the Environmental Protection Act 1990 and the Waste (Scotland) Regulations 2012, the Council provides a variety of bins and containers for the collection of domestic waste and for recycling throughout the city.
- 3.2 Every kerbside property has at least two two-wheeled bins as well as food recycling caddies and kerbside boxes for glass. Two-wheeled bins for communal food waste collection and glass collection are also required (for business as usual activity and for the Communal Bin Review project).
- 3.3 In order to provide the aforementioned bins, four contracts require to be put in place for the supply of a range of items as detailed within the table at section 4.3 of this report.

### **4. Main report**

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- 4.1 Commercial and Procurement Services (CPS) conducted a mini competition utilising the Scotland Excel (SXL) Framework Agreement for Recycle and Refuse Containers.
- 4.2 Prior to their appointment to the SXL Framework Agreement, 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 Agreement suppliers as possible, the contract opportunity was split into the following Lots:

Lot	Description
Lot 1 - Supply of Household 2-wheeled bins and spare parts	1A. Two-wheeled Bin – Grey 140 litres for residual waste
	1B. Two-wheeled Bin - Green 140 litres for mixed recycling
	1C. Two-wheeled Bin - Grey 240 litres for residual waste
	1D. Two-wheeled Bin - Green 240 litres for mixed recycling
	1E. Two-wheeled Bin - Brown 240 litres for garden waste
	1F. Two-wheeled Bin - Grey 360 litres for residual waste
	1G. Two-wheeled Bin - Green 360 litres for mixed recycling
Lot 2 - Supply of Communal 2-wheeled bins and spare parts	2A. Two-wheeled Bin – Black 240 litres for food waste
	2B. Two-wheeled Bin - Purple 360 litres for glass
Lot 3 - Supply of Kitchen Waste Caddies	3A. Food Waste Caddy - 5 litres kitchen food waste caddy
	3B. Food Waste Caddy - 23 litres outdoor food waste caddy
Lot 4 - Supply of Kerbside Boxes	4A. 44 Litre Kerbside Box blue for segregated recyclable materials
	4B. 44 Kerbside Box red for mixed recycling

- 4.4 On 10 June 2021, CPS issued a Mini Competition Invitation through the Public Contracts Scotland (PCS) portal, to the potential suppliers named on the relevant Lots of the aforementioned SXL Framework Agreement, with a tender submission deadline of 6 July 2021.
- 4.5 Tenderers were invited to bid for each lot and were advised that they would be required to supply any Lot bid for in its entirety.
- 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 the service specification was sufficiently 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 at Appendix 1 of this report 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 1	One51 ES Plastics (UK) T/A MGB Plastics	80.00	15.75	95.75	1
	Company 2	77.33	14.00	91.33	2
Lot 2	Craemer UK Ltd	80.00	12.50	92.50	n/a
Lot 3	Straight Manufacturing Ltd	80.00	15.75	95.75	n/a
Lot 4	Straight Manufacturing Ltd	80.00	17.25	97.25	n/a

- 4.8 With regards to Lots 2, 3 and 4, although only one bid was received the tenders were deemed to offer value for money (demonstrated by a comparison against the prices recently paid for these items).
- 4.9 The table below provides a summary of the manufacturing base and lead time for the production and delivery arrangements associated with each Lot. The supplier of each Lot has a manufacturing base in the United Kingdom and have confirmed that they can meet the lead in times set out in the tender specification (for delivery within six weeks from the date the order is received).

#### **Manufacturing base and lead in times**

Lots	Manufacturing Base	Lead in time
Lot 1: Wheelie bins Contractor: MGB	United Kingdom (UK): the only bin supplier with their primary manufacturing facility is based centrally within the UK	Product lead time from receipt of Purchase Order to delivery of goods will be 4-5 weeks.
Lot 2: Supply of 2-wheeled bins and spare parts Contractor: Craemer	UK: Two UK production facilities allow storage in excess of 150,000 plastic wheeled bins of various types and sizes. Two plants based in Germany.	Lead time is 4-5 weeks from Purchase Order confirmation.
Lot 3: Supply of Kitchen Waste Caddies Contractor: Straight	UK: all the containers supplied to UK Councils are manufactured and quality assured to the highest standards from a full UK base.	Product lead time from receipt of Purchase Order to delivery of goods will be 4-5 weeks
Lot 4: Kerbside Boxes Contractor: Straight	UK: all the containers supplied to UK councils are manufactured and quality assured to the highest standards from a full UK base.	Product lead time from receipt of Purchase Order to delivery of goods will be 4-5 weeks

## **5. Next Steps**

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- 5.1 Subject to Committee approval, these contracts will commence on 25 October 2021 and will assist the Council in continuing to meet its statutory obligations with regards to the collection, treatment and disposal of waste and recycling materials.
- 5.2 The Contracts and Grants Management team 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 contracts.

## **6. Financial impact**

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- 6.1 The maximum anticipated contract value (total for all lots) is estimated at £1,823,000 over the maximum contract period (including potential extensions) of four years. This total includes a 25% uplift to allow for the potential variation in usage of the contracts which may occur during the contract period. The cost will be met from the Waste and Cleansing budget.
- 6.2 To calculate the value of the contracts and estimated savings, estimated volumes were provided within the tender documentation.
- 6.3 Tendered prices were applied to the estimated volumes to establish an estimated total cost for each tender.
- 6.4 Tenderers were advised that the volumes provided were anticipated estimates only and not a guarantee of actual volumes, which may vary.
- 6.5 Prices tendered by the recommended suppliers represent an estimated overall saving of £55,878 across all of the Lots assuming the contracts run for four years.
- 6.6 Tendered prices will be fixed for the first year of the contracts and any subsequent price increase requests will be considered on an annual basis, restricted to increases in relevant price indices i.e. price indices which, in the reasonable opinion of the Council, relate to the cost of provision and/or manufacturing of the goods supplied.
- 6.7 During the contract period the Contract Manager will be responsible for the tracking “actual” savings, which will be dependent on contract usage.
- 6.8 The costs associated with procuring the proposed contracts are estimated to be between £10,000 and £20,000.

## **7. Stakeholder / Community Impact**

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- 7.1 As the items being procured are the same specification as those already in circulation, no contract specific stakeholder engagement or co-production was undertaken. However, as detailed within the Business Bulletin at 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 waste and recycling services as part of the Council's Communal Bin Review project.
- 7.2 The project outcome will contribute to the minimisation of waste and consumption (as per the Council's Waste and Recycling Strategy). Augmentation of the existing recycling service is expected to maintain/increase the amount of waste recycled, and reduce the amount sent for energy recovery or other disposal, which contributes to a reduction in carbon emissions and improvements to resource use at a global level.
- 7.3 The award of these contracts will contribute to the realisation of Council Commitments numbers 18 and 25.
- 7.4 All of the recommended suppliers have committed to provide Community Benefits. Examples of community benefits offered include paid work experience placements and the provision of mock interviews. Community benefit delivery will be monitored throughout the life of the contracts.
- 7.5 All of recommended suppliers have also confirmed that they intend pay workers (including any agency or sub-contractor workers) the Real Living Wage.
- 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 plastic composition of the units offered by the preferred bidders are as follows:

Lot	Bin material composition and Axle (for Lots 1 & 2 only)	End of Life Recyclability	Recommendation
Lot 1	<ul style="list-style-type: none"><li>• The plastic composition is HDPE pellets which can be either be 100% virgin material or 100% recycled/re-engineered plastic</li><li>• Solid or hollow axle available</li></ul>	100%	<ul style="list-style-type: none"><li>• 100% recycled/re-engineered plastic</li><li>• Hollow axles as an alternative to solid steel axles thereby reducing the amount of new resources required in production and</li></ul>

			reducing carbon footprint.
Lot 2	<ul style="list-style-type: none"> <li>Black - the plastic composition is up to 50% compound recycled HDPE polymer, depending upon material availability. The other 50% is virgin HDPE.</li> <li>Purple bins the plastic composition is 100% virgin HDPE</li> <li>Solid or hollow axle available</li> </ul>	100%	<ul style="list-style-type: none"> <li>No option offered on plastic composition</li> <li>Hollow axles as an alternative to solid steel axles thereby reducing the amount of new resources required in production and reducing carbon footprint.</li> </ul>
Lot 3	<ul style="list-style-type: none"> <li>The plastic composition is PP pellets which are 100% recycled/re-engineered or 100% virgin material</li> </ul>	100%	<ul style="list-style-type: none"> <li>100% recycled/re-engineered plastic</li> </ul>
Lot 4	<ul style="list-style-type: none"> <li>The plastic composition is PP pellets which are 100% recycled/re-engineered or 100% virgin material</li> </ul>	100%	<ul style="list-style-type: none"> <li>100% recycled/re-engineered plastic</li> </ul>

- 7.8 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 Process.

## Appendix 1 - Summary of Tendering and Tender Evaluation Process

<b>Contract</b>	Supply of Kerbside Bins Ref: CT2806 Lot 1 - Supply of Household 2-wheeled bins and spare parts Lot 2 - Supply of Communal 2-wheeled bins and spare parts Lot 3 - Supply of Kitchen Waste Caddies Lot 4 - Supply of Kerbside Boxes	
<b>Contract period (including any extensions)</b>	25 October 2021 to 24 October 2023 with two optional twelve-month extensions (2 + 1 + 1)	
<b>Maximum Anticipated Contract Value (including any extensions)</b>	£1,823,000	
<b>Procurement Route Chosen</b>	Mini Competition utilising the Scotland Excel Framework Agreement for Recycle and Refuse Containers (Ref: 0117)	
<b>Tenders Returned</b>	Lot 1	2
	Lot 2	1
	Lot 3	1
	Lot 4	1
<b>Recommended Suppliers</b>	Lot 1	One51 ES Plastics (UK) T/A MGB Plastics
	Lot 2	Craemer UK Ltd
	Lot 3	Straight Manufacturing Ltd
	Lot 4	Straight Manufacturing Ltd
<b>Price / Quality Ratio</b>	Price 80%	Quality 20%
<b>Price / Quality Ratio Rationale</b>	Ratio established by Scotland Excel at Framework level	
<b>Evaluation Criteria and Weightings (All Lots)</b>	<b>Quality Criteria</b>	<b>Weighting</b>
	Product Offered (including technical specification)	30%
	Product Quality & Warranty (including replacement policy)	25%
	Product Lead Time & Delivery (including potential Brexit)	25%

	Impact on delivery and related contingency)	
	Contract Management	10%
	Community Benefits	10%
<b>Evaluation Team</b>	Three officers from Waste & Cleansing Services	