

DELEGATED POWERS REPORT NO.

2028

SUBJECT: Authorisation to appoint SSI Schaefer for the supply of blue wheeled recycling bins and a service for the distribution of bins to individual households within the Borough

Control sheet

All of the following actions MUST be completed at each stage of the process and the signed and dated report MUST be passed to the Governance Service for publishing

All reports		
1. Governance Service receive draft report	Name of GSO Date	DPR 26/4/13
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	Maria Lugangira 29/4/13
3. Finance clearance obtained (<i>report author to complete</i>)	Name of Fin. officer Date	Michael Millar 29/4/13
4. Staff and other resources issues clearance obtained (<i>report author to complete</i>)	Name of Res. officer Date	NA
5. Strategic Procurement clearance obtained (<i>report author to complete</i>)	Name of SPO Date	Lesley Meeks 3/5/13
6. Legal clearance obtained from (<i>report author to complete</i>)	Name of Legal officer Date	Sheila Saunders 30/4/13
7. Policy & Partnerships clearance obtained (<i>report author to complete</i>)	Name of P&P officer Date	Andrew Nathan 29/4/13
8. Equalities & Diversity clearance obtained (<i>report author to complete</i>)	Name of officer Date	Andrew Nathan 29/4/13
9. The above process has been checked and verified by Director, Head of Service or Deputy	Name Date	Lynn Bishop 1/5/13
10. Signed & dated report, <u>scanned or hard copy</u> received by Governance Service for publishing	Name of GSO Date	Maria Lugangira 14/05/03
11. Report published by Governance Service to website	Name of GSO Date	Maria Lugangira 14/05/03
12. Head of Service informed report is published	Name of GSO Date	Maria Lugangira 14/05/03
Key decisions only:		
13. Expiry of call-in period	Date	20/05/13
14. Report circulated for call-in purposes to Business Management OSC members & copied to Cabinet Members & Head of Service	Name of GSO Date	Maria Lugangira 14/05/13

ACTION TAKEN BY CABINET MEMBER (EXECUTIVE FUNCTION)

Subject **Authorisation to appoint SSI Schaefer for the supply of blue wheeled recycling bins and a service for the distribution of bins to individual households within the Borough**

Cabinet Member Cabinet Member for Environment

Date of Decision 13 May 2013

Date of decision comes into effect 20 May 2013

Summary	This report seeks authority to enter into a contract with SSI Schaefer for the supply of blue wheeled recycling bins and a service for the distribution of bins to individual households within the Borough.
----------------	---

Officer Contributors Jason Armitage – Head of Waste and Recycling
Karen Reid – Senior Business Support Officer
Matthew Heath – Procurement Manager (Waste Transformation)

Status (public or exempt) Public (with separate exempt report)

Wards affected All

Enclosures None

Reason for exemption from call-in (if appropriate) Not applicable

Key decision Yes

Contact for further information: Jason Armitage – Head of Waste and Recycling, 0208 359 5177

Serial No. 2028

1 RELEVANT PREVIOUS DECISIONS

- 1.1 Cabinet, 4 April 2012, Decision Item 11, approved Waste Collection Options for the Future
- 1.2 Cabinet Resources Committee, 7 November 2012, Decision Item 5, approved the Outline Business Case and Options Appraisal for Waste and Street Scene Services
- 1.3 Cabinet Resources Committee, 18 April 2013, Decision Item 13, approved Waste Collections for the Future

2 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 This decision supports the following priorities in the Corporate Plan 2013-2016:

To maintain a well-designed, attractive and accessible place, with sustainable infrastructure across the borough. Barnet's waste and recycling service is highly regarded, with 82 per cent of residents satisfied with the service. We have committed to providing a weekly bin collection. By adding weekly food waste collection and a mixed recycling collection this October, we aim to make it easier for residents to recycle, reducing the amount of waste sent to landfill and cutting costs.

3 RISK MANAGEMENT ISSUES

- 3.1 Failure to purchase these bins, which are a key component of the Council's implementation of the New Waste Offer, would present a serious risk to the successful implementation and therefore the realisation of the expected financial and non-financial benefits.
- 3.2 The implementation of these new initiatives mitigates significant financial risks for the council as they are designed to increase recycling rates and therefore are anticipated to reduce the amount of residual waste that the council has to send for disposal.

The costs for treating residual waste are increasing, and forecasts show that these are likely to increase substantially, as beyond 2016 the Council will no longer have use of a cheap waste disposal outlet in the form of the Edmonton incinerator as it is projected to be coming to the end of its life.
- 3.3 The North London Waste Authority (NLWA) procurement, the National Waste Strategy 2007 and European legislation (the Waste Framework Directive) seek to achieve a 50% recycling rate by 2020. There are currently no financial penalties for non-achievement of this target. However the more that is recycled and composted, the less Barnet Council has to pay for waste disposal.
- 3.4 Over the last four years, Barnet has made only incremental improvements in recycling performance and waste reduction. Barnet is currently 15th out of 33 London Boroughs in relation to the percentage of its household waste that is recycled, reused or composted. Barnet is currently 27th out of 33 in relation to the amount of household waste per household that is sent for disposal. Other authorities are overtaking Barnet in performance terms and projections show that without significant changes to our services there will be no step change in our performance. This is therefore a reputational risk to the Council. In order to mitigate this risk it is essential that the planned communications activity is delivered successfully and achieves its expected outcomes.
- 3.5 Risks associated with the delivery of the project are managed and reported in accordance with corporate risk and project management processes and will also be

reported through existing democratic processes. A formal Programme Board is in place chaired by the Chief Operating Officer.

4 EQUALITIES AND DIVERSITY ISSUES

- 4.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, 'protected characteristics' are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination.
- 4.1 The Corporate Plan (2013-2016) sets out a commitment that policies, functions and activities will be analysed for their equalities and diversity risks.
- 4.2 Any Equalities and Diversity Issues associated with these changes were addressed in the 4 April 2012 Cabinet Paper. It was not, and still is not envisaged that any option will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The challenge to the Council is to ensure that the accompanying communications plan includes both targeted and general messaging mechanisms to ensure that people with 'protected characteristics' understand the proposed options as well as those from non-protected groups. The Council understands its obligation to pay due regard to the Equality Act 2010 and will do everything necessary to ensure this duty is met throughout the process. The Council remains committed to providing an efficient, user friendly and cost-effective service for the benefit of all residents.

5 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 5.1 Delivery of the new waste services from October 2014 necessitates the procurement of the following goods and services:
- 5.1.1 Up to 125,000 blue wheeled recycling bins; and
- 5.1.2 A distribution service for blue wheeled bins, food waste bins, food waste caddies and information packs to up to 125,000 individual households throughout the Borough.
- 5.2 The total value of the tender submitted by SSI Schaefer was £3,251,840. Contract payments will be made in accordance with the terms and conditions of the contract.
- 5.3 This purchase is provided for within the council's budgets as follows:

Capital Programme	£2,640,000
Weekly Collections Support Scheme Grant	£341,840
One Barnet – transformation reserve	£270,000
Total	£3,251,840

6 LEGAL ISSUES

- 6.1 Procurement processes must comply with the European procurement rules and the Treaty obligations of transparency, equality of treatment and non-discrimination as well as the Council's Contract Procedure Rules.
- 6.2 As the value of this contract is above the current European threshold (£173,934) the Public (Contracts) Regulations 2006 (as amended) do apply.
- 6.3 The goods and services detailed in 5.1 above are being procured via ESPO Contract 860ADD (Issue No. 27), a National EU Compliant Framework (OJEU Contract Notice 2010/S 24 34304 and Contract Award 2010/S 66 98579 and 2011/S 170 278927).
- 6.4 In accordance with the Council's Contract Procedure Rules, there will be a need for the parties to execute a formal contract for the supply of blue wheeled recycling bins and the distribution of bins to individual households within the Borough.

7 CONSTITUTIONAL POWERS

- 7.1 Constitution – Contract Procedure Rules section 17D authorise Cabinet Members to accept tenders of £500,000 and above, when the Procurement process was approved by Cabinet Resources Committee, which this was through the reports of both 4 April 2012 and 18 April 2013.

8 BACKGROUND INFORMATION

- 8.1 Following Committee approval on 7 November 2011 for the development of an implementation plan, a project board was established to deliver the Waste Management Project.
- 8.2 The Council invited the six (6) suppliers on the framework detailed in section 6.3 above to participate in a mini competition via the Supply4London procurement portal. Three of these suppliers submitted a competitive tender by the submission deadline including SSI Schaefer. The identity of Tenderers 1 and 2 are given in the accompanying exempt report.
- 8.3 As part of their tender submission each Tenderer was asked to complete two price schedules:
- 8.3.1 Appendix 6a - Price Schedule (Blue Wheeled Bin); and
- 8.3.2 Appendix 6b - Price Schedule (Bin Distribution).
- 8.4 Appendix 6a - Price Schedule (Blue Wheeled Bin) comprised of 'Specified' and 'Provisional' Items. The completed price schedule submitted by each Tenderer was evaluated in accordance with the published evaluation criteria as detailed in Table 1 below:

Table 1 - Evaluation of Appendix 6a - Price Schedule (Blue Wheeled Bin)

Description	Formula	Tenderer 1	Tenderer 2	SSI Schaefer
Tendered Cost	A	£2,626,060	£2,480,806	£2,880,590
Lowest Cost	B	£2,480,806		
Calculation	$C = B \div A$	0.94469	1.00000	0.86121

Table 1 - Evaluation of Appendix 6a - Price Schedule (Blue Wheeled Bin)

Convert to Score	D = C x 25	23.62	25.00	21.53
------------------	------------	-------	-------	-------

- 8.5 Appendix 6b - Price Schedule (Bin Distribution) comprised of 'Specified' and 'Provisional' Items. The completed price schedule submitted by each Tenderer was evaluated in accordance with the published evaluation criteria as detailed in Table 2 below:

Table 2 - Evaluation of Appendix 6b - Price Schedule (Bin Distribution)

Description	Formula	Tenderer 1	Tenderer 2	SSI Schaefer
Tendered Cost	A	£572,500	£387,500	£371,250
Lowest Cost	B	£371,250		
Calculation	C = B ÷ A	0.64847	0.95806	1.00000
Convert to Score	D = C x 5	3.24	4.79	5.00

- 8.6 As part of their tender response each Tenderer was also asked to develop and submit three (3) method statements that respond to the Council's requirements. The method statement descriptions provided in paragraphs 8.7 to 8.9 below were intended to provide an indication of the information required and were not intended to be a comprehensive or exhaustive list.

8.7 Method Statement 1 - Bin Features

8.7.1 The Tenderer shall provide a concise description of the bin's technical features including but not limited to the design, construction (virgin/recycled content, axle and wheels), testing and operational durability. It is expected that the Tenderer will clearly explain how their bin either meet or exceed the Council's Specification.

8.8 Method Statement 2 - Bin Guarantee

8.8.1 The Tenderer shall clearly specify the guarantee period offered with the blue wheeled bins.

8.9 Method Statement 3 - Distribution Capability

8.9.1 The Tenderer shall provide evidence of their experience in providing bin distribution services for UK waste collection authorities.

8.9.2 The Tenderer shall provide a clear description of how they will manage the bin distribution service in order to meet or exceed the Council's Specification. This should include:

- a. Project management arrangements;
- b. Project plan and timescales including a detailed Gantt chart and/or equivalent detail in spread sheet format;
- c. Project resources including details of staff experience and training;

- d. Risk and issue management;
- e. Health and safety management; and
- f. System for managing non-deliveries/part-deliveries and errors.

8.10 Members of the project team each evaluated the tenders in accordance with the published evaluation criteria. A consensus meeting was held and the scores and supporting statements were agreed by evaluation team members. The evaluation results, which clearly demonstrate that SSI Schaefer Ltd scored highest and therefore should be the preferred supplier, are provided in Table 3 below:

Table 3 - Evaluation Results

Tier 1		Tier 2		Tier 3		Tenderer 1	Tenderer 2	SSI Schaefer Ltd
Criteria	Weighting	Criteria	Weighting	Criteria	Weighting			
Cost	30%	Bin	25%			23.62	25.00	21.53
		Distribution	5%			3.24	4.79	5.00
Quality	70%	Bin	50%	Technical features	25%	10.00	15.00	25.00
				Guarantee period	25%	25.00	25.00	25.00
		Distribution	20%			4.00	12.00	16.00
Total						65.86	81.79	92.53

8.11 The Technical Features demonstrated by SSI Schaefer Ltd were significantly higher quality than those demonstrated by the other suppliers. The main benefits to the Council in purchasing the higher specification and therefore higher cost bins are that they have a longer expected life and lower attrition rate. The expected pay back of the £399,784 difference between the preferred supplier and the cheapest supplier, due to these factors, is approximately 7.8 years.

8.12 The distribution score awarded to SSI Schaeffer Ltd was due to them having already identified a preferred delivery hub location, and having firmly identified the delivery company that will manage the roll-out of bins providing greater assurance around their being able to meet the Council's timescales for roll-out.

9 LIST OF BACKGROUND PAPERS

9.1 None

10 DECISION OF THE CABINET MEMBER(S)

I authorise the following action:

That, subject to the completion of all necessary legal and other documentation, the quotation from SSI Schaefer Ltd for the supply of blue wheeled recycling bins and a service for the distribution of bins to individual households within the Borough, be accepted.

Signed

Councillor Dean Cohen

Cabinet Member for Environment

Date

13/05/2013
