

DELEGATED POWERS REPORT NO.

2042

SUBJECT: Authorisation to appoint Straight plc for the supply of food waste bins and caddies

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	Paul Frost 1/5/13
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 1/5/13
6. Legal clearance obtained from (<i>report author to complete</i>)	Name of Legal officer Date	Philomena Jemide 1/5/13
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 7/5/13
10. Signed & dated report, <u>scanned or hard copy</u> received by Governance Service for publishing	Name of GSO Date	Paul Frost 14/5/13
11. Report published by Governance Service to website	Name of GSO Date	Paul Frost 15/5/13
12. Head of Service informed report is published	Name of GSO Date	Paul Frost 15/5/13
Key decisions only:		
13. Expiry of call-in period	Date	N/A
14. Report circulated for call-in purposes to Business Management OSC members & copied to Cabinet Members & Head of Service	Name of GSO Date	N/A

**ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER
(EXECUTIVE FUNCTION)**

Subject	Authorisation to appoint Straight plc for the supply of food waste bins and caddies
Officer taking decision	StreetScene Director
Date of Decision	7 May 2013
Date of decision comes into effect	7 May 2013

Summary	This report seeks authority to enter into a contract with Straight plc for the supply of food waste bins and caddies
----------------	--

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	No

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

Serial No. 2042

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.
- 4.2 The Corporate Plan (2013-2016) sets out a commitment that policies, functions and activities will be analysed for their equalities and diversity risks.
- 4.3 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 food waste bins; and
- 5.1.2 Up to 125,000 food waste caddies.
- 5.2 The total value of the tender submitted by Straight plc was £440,510. 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:

Weekly Collections Support Scheme Grant	£440,510
Total	£440,510

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 The Public Contracts Regulations 2006 (as amended) apply whenever a contracting authority whether by itself, or through a third party, seeks offers in relation to a proposed public 'works', 'supply' or 'service' contract, the value of which exceeds certain financial thresholds. The current European threshold is £173,934. Services that exceeds the financial threshold are subject to the rules requiring publication of tenders on a Community-wide basis because they would generally be of interest to service providers from other member states.
- 6.3 As stated below at paragraph 8, the goods and services are being procured through a call-off under a Framework Agreement. A framework is an agreement between a client and contractor or contractors or consultant or consultants (depending upon the nature of the framework), the purpose of which is to establish the terms governing particular call-off contracts that may be awarded during the terms of the framework, in particular with regard to price and quantity. The advantage of establishing framework agreements is that as long as the original framework agreement has been advertised and let in accordance with the EU procurement rules, there is no requirement to advertise any subsequent call-off contracts let under the framework agreement even where those call-off contracts exceed the stipulated financial threshold.
- 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 The Constitution, Responsibility for Functions, 7.1 states that Chief Officers can take decisions without consultation with the Cabinet Member concerned where it is in respect of operational matters within the chief officers sphere of managerial or professional responsibility. Section 7.3 provides that Chief Officers may use whatever means they consider appropriate to discharge the functions allocated to them including engaging and deploying staff.
- 7.2 Constitution – Contract Procedure Rules section 17 Appendix A- Authorisation and Acceptance Thresholds, authorise Directors to accept tenders of £499,999 and below, if within budget and agreed savings target on forward plan. As set out at paragraph 1 above, 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 goods and services detailed in 5.1 above are being procured via ESPO Contract 860 (Issue No. 36), a National EU Compliant Framework (OJEU Contract Notice 2010/S 24 34304 and Contract Award 2010/S 66 98579 and 2011/S 170 278927).

- 8.3 The Council invited the ten (10) suppliers on the framework to participate in a mini competition via the Supply4London procurement portal. Three of these suppliers submitted a competitive tender by the submission deadline including Straight Plc. The identity of Tenderers 1 and 2 are given in the accompanying exempt report.
- 8.4 As part of their tender submission each Tenderer was asked to complete two price schedules:
- 8.4.1 Appendix 6a - Price Schedule (Food Waste Bins); and
- 8.4.2 Appendix 6b - Price Schedule (Food Waste Caddies).
- 8.5 Appendix 6a - Price Schedule (Food Waste Bins) 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 (Food Waste Bins)

Description	Formula	Tenderer 1	Tenderer 2	Straight Plc
Tendered Cost	A	£305,480	£334,280	£321,950
Lowest Cost	B	£305,480		
Calculation	$C = B \div A$	1.00000	0.91384	0.94884
Convert to Score	$D = C \times 20$	20.00	18.28	18.98

- 8.6 Appendix 6b - Price Schedule (Food Waste Caddies) 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 (Food Waste Caddies)

Description	Formula	Tenderer 1	Tenderer 2	Straight Plc
Tendered Cost	A	£137,400	£124,640	£118,560
Lowest Cost	B	£118,560		
Calculation	$C = B \div A$	0.86288	0.95122	1.00000
Convert to Score	$D = C \times 10$	8.63	9.51	10.00

- 8.7 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 8.8 to 8.11 below were intended to provide an indication of the information required and were not intended to be a comprehensive or exhaustive list.

8.8 Method Statement 1 - Food Waste Bin Features

8.8.1 The Tenderer shall provide a concise description of the bin's technical features including but not limited to the design, construction (virgin/recycled content, lid and handle), testing and operational durability. It is expected that the Tenderer will clearly explain how their Food Waste Bin either meets or exceeds the Council's Specification.

8.9 Method Statement 2 - Food Waste Bin Guarantee

8.9.1 The Tenderer shall clearly specify the guarantee period offered with the Food Waste Bins.

8.10 Method Statement 3 - Food Waste Caddy Features

8.10.1 The Tenderer shall provide a concise description of the bin's technical features including but not limited to the design, construction (virgin/recycled content, lid and handle), testing and operational durability. It is expected that the Tenderer will clearly explain how their Food Waste Caddy either meets or exceeds the Council's Specification.

8.11 Method Statement 4 - Food Waste Caddy Guarantee.

8.11.1 The Tenderer shall clearly specify the guarantee period offered with the Food Waste Caddy.

8.12 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 Straight Plc 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	Straight Plc
Criteria	Weighting	Criteria	Weighting	Criteria	Weighting			
Cost	30%	Food Waste Bin	20%			20.00	18.28	18.98
		Food Waste Caddy	10%			8.63	9.51	10.00
Quality	70%	Food Waste Bin	50%	Technical features	25%	15.00	15.00	20.00
				Guarantee period	25%	25.00	25.00	25.00
		Food Waste Bin	20%	Technical features	10%	6.00	6.00	8.00
				Guarantee period	10%	10.00	10.00	10.00
Total						84.63	83.79	91.98

9 LIST OF BACKGROUND PAPERS

9.1 None

10 OFFICER'S DECISION

I authorise the following action:

That, subject to the completion of all necessary legal and other documentation, the quotation from Straight plc 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 **StreetScene Director**

Date **7 May 2013**
