

Report to Cabinet

22nd September 2016

By the Cabinet Member for Waste, Recycling and
Cleaving

DECISION REQUIRED

Not Exempt

Exempt Appendix 1 under paragraph 3 Part 1 of
Schedule 12A of the Local Government Act 1972



Supply of Plastic Wheeled Waste Bins- Preferred Supplier

Executive Summary

Horsham District Council requires plastic wheeled bins for the collection of domestic refuse, recycling and garden waste. The purpose of this report is to ask Cabinet to approve the preferred bidder for the supply of wheeled bins as the contract award is over the value of £250,000.

The current contract for the supply of wheeled bins has expired and therefore it has been necessary to undertake a tendering exercise to obtain wheeled bins at the most competitive price, balanced against quality and the ability to supply.

A mini tender exercise has been conducted through a framework agreement managed by Yorkshire Purchasing Organisation (YPO) and the submissions have been evaluated accordingly. Key considerations of the tender exercise included unit costs, phased supply to assist with optimum storage requirements and the ability to supply in a timely manner to meet local demand.

Recommendations

That the Cabinet is recommended:

- i) To accept the bid and award the contract to Company A (exempt appendix 1), as the preferred supplier of plastic wheeled bins for the next 4 years.

Reasons for Recommendations

- i) The tendering exercise offered a preferential unit cost for each bin, with the option of purchasing replacement parts as required.

Background Papers None

Wards affected: All wards are affected

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Background Information

1 Introduction and Background

- 1.1 The purpose of this report is to seek the approval to award the contract for the purchase of wheeled bins for the next four years.
- 1.2 The new contract will be at a lower price than the existing contract which means a significant cost saving over the 4-year period. In addition, the new supplier will maintain a reasonable stock level to which we are able to access quickly, which negates the requirement to provide considerable storage space at the Hop Oast waste depot facility. The council will only pay for stock that we will hold at any one time.

2 Relevant Council policy

- 2.1 Horsham District Corporate Plan Priorities 2016-2019. – Ensuring commissioning principles are applied to our service delivery to secure quality and value which will deliver efficiencies and objectives of the Medium Term Financial Strategy.

3 Details

- 3.1 The current contract for the supply of wheeled bins has expired and therefore it has been necessary to undertake a tendering exercise to obtain wheeled bins at the most competitive price, balanced against quality and the ability to supply.
- 3.2 A mini tender exercise has been conducted through a framework agreement managed by Yorkshire Purchasing Organisation (YPO) and the submissions have been evaluated accordingly. 4 bids were received and have been evaluated. Key considerations of the tender exercise included unit costs, phased supply to assist with optimum storage requirements and the ability to supply in a timely manner to meet local demand.
- 3.3 From the procurement exercise undertaken, Tender Company A has emerged as the Preferred Bidder. The preferred Bidder has also submitted the lowest bid which includes transport costs for delivery of the bins. In addition, the Preferred Bidder is able to supply the bins in smaller quantities to the council which negates the requirement of providing significant on-site depot storage space.

4 Next Steps

- 4.1 Following approval by Cabinet to award the contract, there will be a mandatory legal 10 day “standstill” period as required by the Public Contract Regulations, to allow unsuccessful tenderers time to request feedback and scrutinise the award process. Once this has passed without incident, the appointment can be ratified and legal formalities concluded.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Cabinet Member’s Policy and Development Advisory Group (PDAG) has considered the proposal on the 13 September 2016 and are supportive of the recommendation.

- 5.2 The Councils Monitoring Officer and Director of Corporate Resources have been consulted and their comments have been incorporated in to this report.

6 Other Courses of Action Considered but Rejected

- 6.1 The Council could continue to purchase wheeled bins at a higher unit cost and incur greater transport costs.
- 6.2 There were 3 other bids received which elicited a preferential unit cost from the preferred supplier. One company matched the cost of the wheeled bins but they did not include delivery costs in their price, and neither did the design of bin match what we currently use. This is important as it would affect replacement part costs and require the need to hold a greater stock of incompatible parts

7 Resource Consequences

7.1 Financial consequences

There would be an annual purchase of around 3000 x 140 litre bins and 2000 x 240 litre bins. There can be fluctuations in demand and there may be a need for extra “one off purchases”, which have been agreed at the same cost as the annual supply. Exempt Appendix 1 explains the tender pricing and cost per unit. The savings over 4 years are circa £12,400.

8 Legal Consequences

- 8.1 The procurement process has been carried out in compliance with the Council's procurement code.

9 Risk Assessment

- 9.1 There are no specific risks in relation to this project.

10 Other considerations

- 10.1 This proposal does not impact on Crime & Disorder; Human Rights; Equality & Diversity and Sustainability matters.