

Scotland Excel

To: Executive Sub Committee

On: 13 October 2017

**Report
by
Director Scotland Excel**

Tender: Supply and Delivery of Recycle and Refuse Containers

Schedule: 01/17

Period: 3 November 2017 until 2 November 2020 (with option to extend until 3 November 2021)

1. Introduction and Background

The current framework for Recycle and Refuse Containers will expire on 31 October 2017. This recommendation is for the award of a renewal framework which will operate from 3 November 2017 until 2 November 2020 (with an option to extend until 2 November 2021). This framework facilitates the purchase, supply and delivery of various container types to support councils in the delivery of waste and environmental services.

The report summarises the outcome of the procurement process for this national framework arrangement.

2. Scope, Participation and Spend

As part of the strategy development, the User Intelligence Group (UIG) confirmed general high levels of satisfaction with the current framework services and endorsed the inclusion of seven lots as summarised in Table 1 and these are designed to assist councils in delivering collection services to households for a host of materials collected in various mixes and by various methods, as well as providing suitable containers in urban areas, such as litter bins and containers for waste from commercial premises, including council properties, businesses and schools. The procurement strategy recognised the current market structure and aimed to maximise opportunity for SME's.

Table 1: Lotting Structure

Lot Number	Description	Estimated % of Spend
Lot 1	2 Wheeled Bins	61%
Lot 2	Wheeled and Non Wheeled Containers over 500 Litres	14%
Lot 3	Kerbside Boxes and Reusable Sacks	2%
Lot 4	Kitchen Waste	1%
Lot 5	Urban Waste	6%
Lot 6	Virgin and Recycled Sacks and Liners	5%
Lot 7	Compostable Sacks and Liners	11%

As detailed in Appendix 1, 32 Councils have confirmed their intention to participate in this framework renewal.

The contract was advertised with an estimated value of £50m over the 4 year period. The forecast annual spend for participating councils is circa £9m per annum.

3. Procurement Process

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 7 April 2017. In addition, a working group of technical and procurement representatives was formed to review technical specifications and participate in the evaluation.

A Prior Information Notice (PIN) was published on 9 Feb 2017, which resulted in expressions of interest from 44 organisations. Thereafter, in order to ensure maximum competition, the UIG agreed that an open tender process should be followed to establish the framework.

The Contract Notice was published via the Official Journal of the European Union and the Public Contracts Scotland portal (PCS) on 25 July 2017 with the tender documentation being made available for immediate download from 25 July 2017, via the Public Contracts Scotland Tenders (PCS-T) system.

The procurement process followed a two stage tendering procedure. At the first stage, tender European Single Procurement Document (ESPD) responses were assessed against financial capability, technical/professional capability and business probity requirements. Bidders were required to pass this stage to be eligible for award. At the second stage, offers were evaluated against the following criteria and weightings.

Technical	20%
Commercial	80%

Within the technical section, as well as confirming compliance to product specification, bidders were required to evidence their policies, processes and experience on areas including sustainability, community benefits and fair working practices. They were also provided the opportunity to offer additional services such as bin refurbishment and end of life/take back options, as well as additional fixed pricing or guarantees. Questions were also asked relating to added value, distribution only options and potential technological additions.

Bidders were also asked to confirm which councils they will be able to service.

Within the commercial section, bidders were invited to offer on a lot by lot basis and provide prices against a selection of most commonly used and highest spend products. Bidders were encouraged based on the evaluation methodology to bid on as wide a range of core products as possible. Pricing for all lots is fixed for 12 month periods as a minimum as well as the option for bidders to extend this period.

4. Report on Offers Received

The tender document was downloaded by 35 organisations, with 22 tender responses received. A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was carried out. Appendix 3 sets out the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the criteria and weightings set out above, it is recommended that a multi supplier framework arrangement is awarded to all 22 suppliers across the seven lots as outlined in Appendix 3.

The 22 recommended suppliers can meet requirements across all geographical areas providing a range of choice and capacity for council members. The recommended suppliers also represent a mix of micro, small, medium and large organisations, with 20 of the recommended suppliers classified as SMEs.

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise for each council and the results of this benchmarking are detailed in Appendix 1.

The benchmarking exercise compared the best prices for each core product on the existing framework with the prices for the same products offered for the new framework.

Despite being a fourth generation framework, an overall saving figure has been achieved. The projected average saving across all councils is 1.2%, which equates to an estimated total saving of approximately £112k per annum based on current forecast spend levels. The projected annual savings per council compared to the previous framework ranges from £211 to £16,641. The level of saving achievable is linked to volume of spend, but also influenced significantly by the level of spend on Lot 1 (2 wheeled bins), where the greatest improvement in prices offered was achieved.

It should be noted that each individual council could achieve further savings through conducting mini-competitions. In addition, the framework offers councils opportunities relating to added value and potential to integrate new technologies throughout the framework lifetime.

Price Stability

Twelve suppliers have agreed to the minimum 12 month annual fixed price period whilst the remaining ten suppliers have offered extended fixed pricing periods beyond the 12 month minimum. Provision thereafter is for price reviews every 12 months to accommodate market fluctuations. All requests for price increases will be evaluated against prevailing market conditions and supporting documentary evidence.

Sustainable Procurement Benefits

Within the technical section of the tender, the sustainability method statement assessed bidders in relation to their corporate approach to sustainability and how their organisation promotes social, economic and environmental areas. A range of sustainable measures were outlined by service providers including;

- Fleet/Vehicle Environmental Standards
- Carbon Footprint
- Waste Reduction

This procurement also evaluated bidders' abilities to offer practical solutions to aid with the sustainability of products life cycles, including bin refurbishment options intended to sustain the life of the product and end of life/take back schemes for used bins that are no longer fit for purpose but could be recycled or reused for other purposes.

Community Benefits

Bidders were also asked to detail and demonstrate their commitment to providing community benefits, that will be further discussed during framework mobilisation and reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a regular basis. A range of community benefits dependent on achieved levels of spend were offered by bidders based around the following:

- Economic Impact
- Improving Employability
- Improving Education
- Improving Skills

Delivered via workshops, training, work experience, sponsorship, donation of time staff and materials and recruitment, including apprentices.

Fair Work Practices including the Living Wage

Bidders were asked a question on their approach to fair work practices and the Scottish Living Wage status. Of the 22 recommended suppliers, 16 confirmed payment of the Living Wage to their workforce, 1 has confirmed they are currently working through the accreditation process and a further 2 have pledged to do so within the first 2 years of the framework term.

- 2 are accredited Living Wage Employers
- 1 is working towards accreditation
- 2 have committed to gaining accreditation and paying the Living Wage to all employees over the initial two year period of the framework
- 14 are not accredited Living Wage Employers but pay the Living Wage to all employees
- 3 are not accredited Living Wage Employers and do not currently pay the Living Wage to all employees

Scotland Excel monitors Fair Work Practices including the Living Wage within its contract and supplier management process. Scotland Excel will work with the three suppliers who do not currently pay the Living Wage during the lifetime of the new framework to encourage their commitment to this as a minimum.

7. Contract Mobilisation and Management

All councils and suppliers will be issued with a mobilisation pack containing all required details to launch the framework. Each supplier will be invited to a mobilisation meeting to outline the operation of the framework, roles and responsibilities, management information requirements and community benefits commitments.

In accordance with Scotland Excel's established contract and supplier management process, this framework has been classified as a level 2 arrangement in terms of both risk and spend requiring annual supplier and user group reviews as appropriate.

8. Summary

This framework for the supply and delivery of recycle and refuse containers aims to maximise collaboration, support local authorities to deliver the waste related services they provide as well as support waste management strategies and activities in compliance with the Zero Waste Plan and the Waste (Scotland) Regulations 2012, as well as the delivery of best value.

A range of benefits can be reported in relation to savings, price stability, sustainability and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement to the suppliers as detailed in Appendix 3.

Appendix 1 – Participation, Spend and Savings Summary – Recycle and Refuse Containers 01-17

Member Name	Participate in Framework	Participation Entry Date	Estimated Annual Spend	Source of Spend	Forecast Saving %	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City	Yes	Contract Start	£435,137	Contract MI	1.24%	£5,396	Benchmarked Current Contract
Aberdeenshire	Yes	Contract Start	£664,363	Council Confirmed	1.24%	£10,966	Benchmarked Current Contract
Angus	Yes	Contract Start	£62,800	Council Confirmed	1.24%	£779	Benchmarked Current Contract
Argyll and Bute	Yes	Contract Start	£50,000	Council Confirmed	1.24%	£620	Benchmarked Current Contract
Clackmannanshire	Yes	Contract Start	£58,340	Contract MI	1.24%	£723	Benchmarked Current Contract
Comhairle nan Eilean Siar	Yes	Contract Start	£25,329	Contract MI	1.24%	£314	Benchmarked Current Contract
Dumfries and Galloway	Yes	Contract Start	£155,000	Council Confirmed	1.24%	£1,922	Benchmarked Current Contract
Dundee City	Yes	Contract Start	£379,346	Contract MI	1.24%	£4,704	Benchmarked Current Contract
East Ayrshire	Yes	Contract Start	£220,475	Contract MI	1.24%	£2,734	Benchmarked Current Contract
East Dunbartonshire	Yes	Contract Start	£155,973	Contract MI	1.24%	£1,934	Benchmarked Current Contract
East Lothian	Yes	Contract Start	£112,750	Council Confirmed	1.24%	£1,398	Benchmarked Current Contract
East Renfrewshire	Yes	Contract Start	£66,500	Council Confirmed	1.24%	£825	Benchmarked Current Contract
Edinburgh City	Yes	Contract Start	£1,342,035	Contract MI	1.24%	£16,641	Benchmarked Current Contract
Falkirk	Yes	Contract Start	£280,000	Council Confirmed	1.24%	£3,472	Benchmarked Current Contract
Fife	Yes	Contract Start	£220,000	Council Confirmed	1.24%	£2,720	Benchmarked Current Contract
Glasgow City	Yes	Contract Start	£1,067,701	Contract MI	1.24%	£13,241	Benchmarked Current Contract
Highland	Yes	Contract Start	£190,000	Council Confirmed	1.24%	£2,356	Benchmarked Current Contract
Inverclyde	Yes	Contract Start	£157,000	Council Confirmed	1.24%	£1,947	Benchmarked Current Contract
Midlothian	Yes	Contract Start	£108,660	Contract MI	1.24%	£1,347	Benchmarked Current Contract
Moray	Yes	Contract Start	£57,864	Contract MI	1.24%	£718	Benchmarked Current Contract
North Ayrshire	Yes	Contract Start	£146,300	Council Confirmed	1.24%	£1,814	Benchmarked Current Contract
North Lanarkshire	Yes	Contract Start	£889,911	Contract MI	1.24%	£11,035	Benchmarked Current Contract
Orkney	Yes	Contract Start	£17,048	Contract MI	1.24%	£211	Benchmarked Current Contract
Perth and Kinross	Yes	Contract Start	£100,000	Council Confirmed	1.24%	£1,240	Benchmarked Current Contract
Renfrewshire	Yes	Contract Start	£286,000	Council Confirmed	1.24%	£3,546	Benchmarked Current Contract
Scottish Borders	Yes	Contract Start	£82,197	Contract MI	1.24%	£1,019	Benchmarked Current Contract
Shetland Isles	Yes	Contract Start	£123,310	Council Confirmed	1.24%	£1,529	Benchmarked Current Contract
South Ayrshire	Yes	Contract Start	£172,476	Contract MI	1.24%	£2,139	Benchmarked Current Contract
South Lanarkshire	Yes	Contract Start	£417,059	Council Confirmed	1.24%	£5,173	Benchmarked Current Contract
Stirling	Yes	Contract Start	£134,364	Contract MI	1.24%	£1,666	Benchmarked Current Contract
West Dunbartonshire	Yes	Contract Start	£150,000	Council Confirmed	1.24%	£1,860	Benchmarked Current Contract
West Lothian	Yes	Contract Start	£514,655	Contract MI	1.24%	£6,382	Benchmarked Current Contract
TOTALS			£8,842,593		1.24%	£112,371	

Appendix 2 - SME Status

Bidder's Name	SME Status	Location	Lots Awarded
Abfallbehalter & Container Weber UK Ltd	Medium	England	1,2,5
Biobags Scotland Ltd	Medium	Aberdeen and North East	6,7
British Polythene Limited	Large	England	6,7
Broxap Ltd	Medium	England	5
Craemer UK Limited	Medium	England	1,2,4
Cromwell Polythene Ltd	Medium	England	3,6,7
Egbert H Taylor & Co Ltd	Medium	England	2,4
ESE World Ltd	Small	England	1,2
Eximex UK Ltd	Small	England	6
Glasdon UK Limited	Medium	England	5
Imperial Polythene Products Limited	Medium	England	6,7
J & HM Dickson Ltd	Small	Glasgow and Strathclyde	3
Leafield Environmental Ltd	Small	England	5
One51 ES Plastics (UK) Ltd T/A MGB Plastics	Medium	England	1
Ridley Recycling Limited T/A Peter Ridley Waste Systems	Micro	England	4,7
Plastic Omnium Urban Systems Limited	Large	England	1,2,5
Sphere Professional UK Ltd	Small	England	3,6,7
SSI Schaefer Ltd	Medium	England	1,2
Storm Environmental Ltd	Small	England	2
Straight Manufacturing Limited	Small	England	2,3,4
Weir & Carmichael Ltd	Small	England	3
Wybone Limited	Medium	England	5

Appendix 3 - Scoring and Recommendations

Lot 1 - 2 Wheeled Bins		
Supplier Name	Overall Total	
One 51 ES Plastics (UK) Ltd T/A MGB Plastics*	93.50	
Craemer UK Ltd*	89.22	
SSI Schaefer Ltd*	87.73	
PLASTIC OMNIUM Urban Systems Limited*	84.12	
ESE World Ltd*	79.01	
Abfallbehalter & Container Weber UK Ltd*	73.79	

Lot 2 - Wheeled and Non-Wheeled Containers over 500L		
Supplier Name	Overall Total	
Egbert H Taylor & Co Ltd*	89.83	
ESE World Ltd*	76.78	
PLASTIC OMNIUM Urban Systems Limited*	75.80	
Straight Manufacturing Limited*	74.79	
Storm Environmental Ltd*	72.91	
SSI Schaefer Ltd*	71.92	
Craemer UK Ltd*	71.74	
Abfallbehalter & Container Weber UK Ltd*	69.31	

Lot 3 - Kerbside Boxes and Reusable Sacks		
Supplier Name	Overall Total	
J & HM Dickson Ltd*	85.92	
Straight Manufacturing Limited*	82.87	
Cromwell Polythene Limited*	81.18	
Weir & Carmichael Ltd*	76.55	
Sphere Professional UK Ltd*	75.86	

Lot 4 - Kitchen Waste		
Supplier Name	Overall Total	
Straight Manufacturing Limited*	91.50	
Craemer UK Ltd*	82.17	
Egbert H Taylor & Co Ltd*	80.12	
Ridley Recycling Limited T/A Peter Ridely Waste Systems *	76.14	

Lot 5 - Urban Waste		
Supplier Name	Overall Total	
Broxap Ltd*	98.25	
Wybone Limited*	88.52	
PLASTIC OMNIUM Urban Systems Limited*	75.78	
Glasdon UK Ltd*	71.86	
Leafield Environmental Limited*	67.56	
Abfallbehalter & Container Weber UK Ltd	58.26	

Lot 6 - Virgin and Recycled Sacks		
Supplier Name	Overall Total	
Cromwell Polythene Limited*	93.00	
British Polythene Ltd*	79.61	
Sphere Professional UK Ltd*	68.78	
Eximex (UK) Ltd*	67.70	
Biobags (Scotland) Ltd*	64.47	
Imperial Polythene Products Ltd*	62.95	

Lot 7 - Compostable Sacks and Liners		
Supplier Name	Overall Total	
Cromwell Polythene Limited*	95.00	
Biobags (Scotland) Ltd*	70.88	
British Polythene Ltd*	63.76	
Sphere Professional UK Ltd*	62.26	
Imperial Polythene Products Ltd*	58.72	
Ridley Recycling Limited T/A Peter Ridely Waste Systems	42.01	

(*) Denotes successful supplier