

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 19 JULY 2022**

<b>Title of Report</b>	<b>THE AWARD OF THE THREE-YEAR CONTRACT FOR THE SUPPLY OF BINS AND RECYCLING CONTAINERS</b>	
<b>Presented by</b>	Councillor Andrew Woodman, Community Services Portfolio Holder	
<b>Background Papers</b>	Please refer to Appendix One (confidential paper)	<b>Public Report:</b> Yes
		<b>Key Decision:</b> Yes
<b>Financial Implications</b>	The financial implications are detailed in section 4 of the report.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	The Public Contract Regulations 2015 require a competitive process to be followed for contracts of this value. A restricted procedure is one of the permitted procedures under the regulations and has been used for this procurement.	
	<b>Signed off by the Deputy Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To seek Cabinet approval to award the contract following a recent tender exercise	
<b>Reason for Decision</b>	To comply with the council's contracts procedures, contracts that are valued at more than £250,000 in total is a financial key decision requiring Cabinet approval.	
	To comply with EU Contract Procedure Rules (which the UK is still subject to), the council is required to follow these rules.	
<b>Recommendations</b>	<b>THAT CABINET:</b> <ol style="list-style-type: none"> <li><b>1. RECOMMENDS TO COUNCIL THAT £580,000 OVER A THREE-YEAR PERIOD IS ADDED TO THE CAPITAL PROGRAMME FOR SUPPLY OF WHEELED BINS AND RECYCLING CONTAINERS.</b></li> <li><b>2. AWARDS A CONTRACT AT THE VALUE OF UP TO £800,000 TO IPL GLOBAL FOR THE PROVISION OF FOOD WASTE CADDIES AND A THREE-YEAR SUPPLY OF WHEELED BINS AND RECYCLING CONTAINERS SUBJECT TO COUNCIL APPROVAL OF THE ADDITION TO THE CAPITAL PROGRAMME</b></li> </ol>	

## 1.0 BACKGROUND

1.1 The council currently provides waste and recycling collections to approximately 48,000 households in the district. Each year purchases are made for bin and recycling containers to replace bins and containers which are either:

- Lost
- Damaged
- Stolen
- Bins and recycling containers for new build properties

1.2 The Environmental Act 2021 will require local authorities to provide statutory free separate weekly food waste collections for all households. Whilst a date for this requirement wasn't included in the act, it is anticipated food waste collections will need to be provided from 2025. In preparedness for this, it was deemed sensible to include food waste containers when inviting suppliers to submit tenders to supply bins and recycling containers for the next three years.

Therefore, the purchasing of food waste containers will be classed as an optional expenditure as they won't be purchased until the Government (through Defra) have confirmed what capital funding will be made available to local authorities, that don't currently collect food waste.

However, in preparation for this statutory requirement of providing food waste collections, it was deemed sensible during the tender exercise to request from suppliers details of the food waste containers they can provide, along with the costs of them.

The costs provided in each tender submission for all wheeled bins, recycling containers and food waste containers by the suppliers are fixed for three years. This offers best value for money for the council, as should the Government funding become available during the term of this contract, the council will have the option of purchasing these food waste containers at the prices detailed in the winning tender submission, submitted by IPL Global. However, a separate process will be followed for the purchasing of these containers as this expenditure will form part of a wider proposal to provide food waste collections across the whole district.

1.3 Previously bin and recycling containers have been purchased on an ad-hoc basis directly from suppliers, as and when demand dictated, and when minimum stock level thresholds were met. Whilst the spend on these containers was approximately £180,000 a year and budgeted for, it wasn't using the EU Contract Procedure Rules process, but via a local government procurement framework. However due to the spend levels it has been deemed more suitable to use a contractual arrangement as set out within this report.

To comply with the Public Contract Regulations 2015, due to reaching the prescribed spend threshold, the council has followed a restricted procedure procurement process. It is also a requirement of the council's constitution that contracts more than £250,000 in total are a financial key decision requiring Cabinet approval.

## 2.0 RESTRICTED PROCEDURE PROCESS

- 2.1 A restricted procedure process is a two stage procedure. The first stage is a Supplier Selection Questionnaire (SSQ) and the second stage is an Invitation To Tender (ITT). A restricted procedure process allows anyone to submit a full tender subject to that supplier being deemed compliant through submitting a SSQ. This is the council's preferred process when procuring at this level of spend.
- 2.3 Three bidders submitted successful SSQ's, and subsequently all were issued with the tender documents. All three bidders submitted compliant, on-time tenders which were assessed against the criteria in the tender documents.

## 3.0 ASSESSMENT AND EVALUATION OF TENDER, AND RECOMMENDATION OF APPROVAL TO AWARD CONTRACT

- 3.1 When referring to Appendix one, IPL Global submitted the highest scoring tender for both quality and pricing. The contract value over the three years is circa. £800,000, consisting of a one-off purchase of food waste containers (as detailed earlier in the report), as well as a three-year supply of wheeled bins and recycling containers.
- 3.2 By awarding a contract for the provision of bins and recycling containers over three years, the prices are fixed by the supplier, which will be advantageous to the council, at a time currently of global economic uncertainty and disruptions to supply chains.
- 3.3 If Cabinet decide to award the tender to IPG Global, the council and the three bidders will enter into a standstill period of 10 days. This is a pause between the point when the contract award decision is notified to bidders, and the final contract conclusion, during which time the unsuccessful suppliers can challenge the decision. The standstill period is a legal requirement.
- 3.4 If no challenges are received, a contract will be entered into with IPL Global as the successful bidder.

## 4.0 FINANCIAL IMPLICATIONS

- 4.1 As the purchase of wheeled bins and recycling containers is currently undertaken on an ad-hoc basis, the budget has been included within the general fund revenue budget. Due to the value of the contract and the life of the assets (between 3 and 7 years), this expenditure meets the definition of capital expenditure and needs to be included in the capital programme.
- 4.2 The financial implications are detailed in the table below in relation to the supply of wheeled bins and recycled containers. The optional element of the contract to purchase food waste containers will be subject to a separate future report on the rollout of food waste collections across the district.

Financial Implications Table	Current Year Budget	Impact of Proposals	Forecast Indicative Budget		
		2022/23	2023/24	2024/25	2025/26 & beyond

	£000	£000	£000	£000	£000
<b>Capital Investment</b>					
Costs	-	97,000	193,000	193,000	193,000
Funded by	n/a	Unsupported Borrowing	Unsupported Borrowing		
<b>On-going costs (revenue)</b>					
Costs - Staffing	-	-	-	-	-
Other	185,230	(65,230)	19,400	58,000	96,600
<b>Total on-going costs</b>	<b>185,230</b>	<b>(65,230)</b>	<b>19,400</b>	<b>58,000</b>	<b>96,600</b>
Funding by	General Fund	General Fund	General Fund		

- 4.3 Moving the £185,000 per year from revenue to capital represents a reduction of £400,000 to the general fund revenue budget over the three years of the contract due to refinancing of the expenditure. The on-going revenue costs in 2022/23 of £120,000 relate to bins and recycling already purchased, plus forecasted expenditure up to the commencement of the new contract. The ongoing revenue costs forecast for future years is in relation to an increase in the minimum revenue provision (MRP). MRP is a charge to the revenue account of a provision to repay debt incurred in respect of capital expenditure financed by borrowing.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Developing a clean and green district
Policy Considerations:	<p>Local authorities are required to provide waste and recycling collections under the <a href="#">Environmental Protection Act 1990</a> and <a href="#">Environment Act 2021</a></p> <p>The <a href="#">Refuse and Recycling Collections Policy</a> details what bins and recycling containers the council provides to residents.</p> <p><a href="#">EU Contract Procedure Rules</a></p> <p><a href="#">North West Leicestershire District Council Constitution – 4.7 Contract Procedure Rules</a></p>
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	Customers are provided with suitable waste and recycling containers allowing them to conveniently recycle and dispose of waste generated in a domestic setting.

Economic and Social Impact:	None
Environment and Climate Change:	Providing suitable bins and recycling containers, actively encouraging residents to recycle as much of their waste as possible. This supports the council's Recycle More plan and the Zero Carbon Policy and Roadmap.
Consultation/Community Engagement:	Not applicable
Risks:	Risks will be managed as part of the contract monitoring carried out by officers.
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