

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

Date 18th July 2018

1. **REPORT TITLE** **Contract Award for Transportation of skips**
- Submitted by:** **Head of Recycling & Fleet - Andrew Bird**
- Portfolio:** **Environment and Recycling**
- Ward(s) affected:** **All**

Purpose of the Report

To inform Cabinet of the process and outcome of the procurement exercise undertaken for companies to tender for the provision of skips where necessary, and the transportation of litter, bulky waste, fly-tipped materials, and green / grounds maintenance waste, all resulting from operations connected with Streetscene, and Recycling and waste Services, to designated treatment and disposal sites.

Recommendations

That the Council enter into contractual arrangements with Browns Recycling Limited for a period of two years, with the option to extend the contract by two, one year extensions.

Reasons

The current contract is at an end, following an extension period, and therefore the service required to be re-tendered. The Council also needs to obtain the best financial value,

1. **Background**

- 1.1 The Council has been operating a transfer station at its Knutton Lane depot for well over twenty years. The site is fully licenced as a Hazardous Waste transfer station by the Environment Agency, therefore providing the Council with flexibility and certainty in being able to handle a wide range of materials from its streetscene and recycling and waste operations.
- 1.2 The site generates around 2,000 tonnes of material annually, from its streetscene and recycling and waste services, which translates into an average of 12 skip movements a week. This is not enough to justify the Council operating a large skip vehicle and employing a driver, therefore it is more financially and operational practicable to contract out the transportation element in the operation of the site.
- 1.3 Current contract arrangements have been in place since July 2012, and are now at the end of the extension period applied in 2016. In assessing options for a new contract, consideration was made as to whether it would be financially beneficial for streetscene vehicles to deliver collected materials direct to treatment and disposal destinations. A feasibility study was undertaken by Streetscene Managers, and the loss in time and resource in sending many small vehicles to treatment and disposal points, rather than tipping in the depot transfer station, would impact significantly, in both productive time and therefore

financially, in comparison to operating the transfer station, and bulk loading and transporting materials in skips.

- 1.4 A decision was taken to go out to tender for the provision of skips and transportation of materials to treatment / disposal sites. Tenders were advertised through the Councils 'MyTenders' portal, and followed an open procurement procedure. Closing date for receipt of tenders was 4th May 2018.
- 1.5 Tenders were received from two companies including the incumbent contractor the Council uses for skip provision and transport.
- 1.6 The proposed contract will be for a period of two years, with a possible extension of up to two further years.

2. **Issues**

- 2.1 It is vitally important that the Council looks to obtain the best financial value for the services it provides, and maintains flexibility in the operation of the depot transfer station at Knutton lane.

3. **Proposal**

- 3.1 Tenders received have been evaluated on price and quality incorporating an assessment of the company to provide reliable and efficient transportation services.
- 3.2 Table 1 provides the outcome of the financial and quality evaluation undertaken as part of the procurement process.

| Bidder | Total score | Score Weighted (40%) Quality | Cost | Bid Score 100x (lowest / this cost) | Adjusted price score (60%) | Total |
|--------|-------------|------------------------------|-------|-------------------------------------|----------------------------|-------|
| A | 3970 | 1588 | 39682 | 60 | 36 | 1624 |
| B | 2580 | 1032 | 42018 | 56.66 | 34 | 1066 |

- 3.3 The preferred tender to carry out the contract is Browns Recycling Limited (Bidder 'A').
- 3.4 It is proposed that the contract starts as soon as possible in July.

4. **Reasons for Preferred Solution**

- 4.1 Browns Recycling Limited is a local family owned company in the recycling and waste collection and reprocessing industry. They are the Councils current contractor, and have provided a high quality service over the last six years. Browns Recycling tender submission was very good with all the correct documentation and clear evidence of their commitment in terms of Health and Safety, quality of service, and positive environmental credentials.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The proposal is key to the effective delivery of the Integrated Municipal Waste Management Strategy for Newcastle under Lyme Borough Council, and will contribute to the following corporate priorities:

- creating a cleaner, safer and sustainable Borough
- creating a Borough of opportunity
- transforming our Council to achieve excellence

6. **Legal and Statutory Implications**

6.1 The procurement process is being conducted to meet the requirements of the Public Contract Regulations 2015. It also meets the Council's requirements to secure Best Value.

7. **Equality Impact Assessment**

7.1 The proposal supports the Equality Impact Assessment undertaken for the effective delivery of the Integrated Municipal Waste Management Strategy for Newcastle under Lyme Borough Council

8. **Financial and Resource Implications**

8.1 The proposal has positive financial implications for the Council.

8.2 Both tenders received had marginally cheaper transportation costs, to those which the council is currently paying. This will result in additional revenue saving of just over £3,840.00p based on predicted skip movements over a twelve month period.

8.3 There are resource implications in ensuring the Council continues to ensure efficient use is made in filling skips, to avoid unnecessary journeys to treatment / disposal locations. This will not however require any additional resources over those already employed to ensure high quality of material is maintained.

9. **Major Risks**

9.1 The permit conditions associated with the waste transfer station place strict limits on the time in which waste materials can be stored on site, prior to treatment or disposal. It is vital therefore to have reliable transport operations in place to ensure waste is moved in a timely manner.

9.2 Failure to achieve this could result in the Environment Agency issuing improvement notices to the Council and potentially taking enforcement action.

10. **Key Decision Information**

10.1 The proposal and recommendation set out in this report is a key decision as defined in the Council's Constitution.

10.2 The proposal and recommendation is included in the Cabinet's Forward Plan for the period in which the meeting is to take place.

11. **Background Papers**

11.1 None