

TRANSPORTATION OF MATERIAL AND PROCESSING OF STREET SWEEPINGS

Submitted by: T Nicoll

Portfolio: Environment and Recycling

Ward(s) affected: None

Purpose of the Report

To inform Cabinet of the out come of the tendering Process for the contract for the Transportation of Material and Processing of Street Sweepings for Newcastle-under-Lyme BC - Tender Reference: NULBC/MTS-1.

To seek a decision from Cabinet regarding the award of the Contract.

Recommendation

That the contract for the Transportation of Material and Processing of Street Sweepings for Newcastle-under-Lyme BC - Tender Reference: NULBC/PFW-1 be awarded to H. Browns and Sons of Stoke on Trent as set out in the report.

Reasons

- (i) All the bids have been evaluated both on cost and quality. The financial evaluation has been undertaken for the first full year of service (2012-13), based upon the rates provided within the tender documents and the estimated tonnage figures. This evaluation indicates that H. Browns and Sons have provided the most economically advantageous tender and complies with the Councils Financial appraisal.
- (ii) The cost of this tender has been considered as one of the components of the integrated waste service and the estimated costs compared to the budget for 2012-13; this comparison indicates that the contract cost is within the available revenue budget for the integrated collection service.

1. Background

- 1.1 The councils current recycling and waste strategy has been prepared following the principles agreed by Cabinet in October 2007 and consultation with stakeholders. It sets out the direction for the Waste Management services up to 2016. The strategy was prepared taking account of national guidance (Waste Strategy for England 2007) and the 'principles and policies' set out in the Integrated Municipal Waste Management Strategy for Staffordshire and Stoke-on-Trent (2020 Vision).
- 1.2 The Council operates a licensed waste transfer station at the Knutton Lane Depot to handle Streetscene and fly tipped waste. The site is not open to the general public. During 2011 approximately 560 container movements were undertaken from the depot to various locations.
- 1.3 During 2011 the Council undertook a trial to process inert street sweeping collected via the Council Streetscene operation. It is estimated that approximately 2,400 tonnage of sweeping are collected per year, historically this material was sent for landfill. The aim of this contract is for this material to be treated for reuse, so that is counted towards the Councils recycle rate, the cost of this treatment will be funded from the receipt of Recycling Credits from Staffordshire County Council.

- 1.4 The value of the contract was likely to exceed the threshold for service contracts set out in the Public Contracts Regulations 2006 and has therefore been advertised through the European Journal (OJEU Notice reference TED62-2012-000013, dated 3 January 2012). The tender was undertaken using an open procedure which does not restrict the number of tender responses.
- 1.5 The contract shall be effective from no later than 2 April 2012 to 5 July 2014 with a possible extension of two, one year periods, upon satisfactory service delivery as deemed by the Council
- 1.6 Tender documents were available on 3 January 2012 for completion and return in accordance with the timescales set out in the Public Contracts Regulations 2006. All tenders had to be received by 13.00hrs on 17 February 2012.
- 1.7 The tenders have been evaluated to determine the most economically advantageous tender (MEAT) based upon the following criteria and weightings, as shown in Table 1.

Table 1:

Criteria		Weighting Available (%)
Section 1	Company Information	Pass/Fail
Section 2	Financial Information	Pass/Fail
Section 3	Contractual Matters	Pass/Fail
Section 4	Health & Safety	10
Section 5	Quality Assurance	10
Section 6	Insurance	Pass/Fail
Section 7	Business Activities/Method Statements	30
Section 8	Business Continuity	10
Section 9	Equal Opportunities	Pass/Fail
Section 10	Crime & Disorder Act	Pass/Fail
Section 11	References/Experience	Pass/Fail
Section 15	Price	40

2. **Proposal**

- 2.1 Tenders have been received from 3 bidders
- 2.2 The tenders received have been evaluated on the financial costs of the treatment of the street sweepings and transportation of material, a summary of the unit cost for each tenderer is detailed in table 2 below.

Table 2:

Company	Treatment of Sweepings	Provision of Containers £ per day			Provision of transportation from Knutton Lane Depot £ per load			
		£ per Tonne	35yrd	18/25yd	8/14yd	Wednesbury	Newstead	Action
A	25.00	0.20	0.20	0.20	180.00	76.00	76.00	76.00
B	37.00	0.80	0.80	0.80	220.00	75.00	75.00	180.00
C	50.00	1.00	1.00	0.75	180.00	75.00	75.00	75.00

- 2.3 The tenders received have been evaluated on the quality of the treatment of the street sweepings and transportation of material. A summary of the quality scores for each tenderer is detailed in the table 3 below:

Table 3:

Name	Total Quality Score (max 60%)
A	32.2%
B	35.9%
C	35.4%

- 2.4 All of the bids have been evaluated and weighted in accordance with the values in table 1 above. Table 4 provides the outcome of the combined quality and financial evaluation:

Table 4:

Name	Total Quality Score (60%)	Raw Cost (£)	Adjusted Cost	Weighted Cost (40%)	Total Score	Rank
			(100 *Lowest raw cost/raw cost)	(Adjusted Cost * 0.4)	(Quality + Cost)	
A	32.2%	£103,926	100.00	40.0%	72.2%	1
B	35.9%	£154,512	67.26	26.9%	62.8%	2
C	35.4%	£165,029	62.97	25.2%	60.6%	3

- 2.5 The highest scoring tender based on the MEAT criteria was submitted by tenderer A H. Browns and Sons.

3. **Reasons for Preferred Solution**

3.1 There are a number of reasons why H. Browns and Sons is the preferred bidder, these include:-

- They have provided a high quality bid.
- They are experienced in providing this service to Local Authorities.
- They are the only tenderer able to provide a processing site within the North Staffordshire.
- They have sufficient alternative treatment sites within their control to ensure business continuity.
- The site location will facilitate the generation of the least carbon miles.
- Provide a solution within budgetary constraints.

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

4.1 The proposal relates to the effective delivery of the Integrated Municipal Waste Management Strategy for Newcastle Borough Council, which would contribute to the following:

- Creating a Cleaner, Greener Safer Borough
 - Action to ensure waste is minimised, recycled and composted.
- Transforming our Council to Achieve Excellence
 - Action - manages its finances so that it has enough resources to deliver its priorities
 - Action - ensures that resources follow priorities

5. **Legal and Statutory Implications**

5.1 The procurement process is being conducted to meet the requirements of the Public Contracts Regulations 2006.

5.2 The draft contract document pertaining to this service has been prepared by Legal Services.

6. **Equality Impact Assessment**

6.1 The companies expressing interest in the contract have been requested for information regarding their Equalities Policies, which have formed part of the evaluation.

7. **Financial and Resource Implications**

7.1 The process is a competitive one, designed to deliver value for money. The estimated cost of the tender submitted by H. Browns and Sons for the first full year of service (2012-13) is £103,926.00. This falls within the revenue budget for the delivery of the integrated waste management service.

7.2 Financial appraisals of all the tenderers are currently being undertaken by Internal audit.

8. **Major Risks**

8.1 The risks associated with this particular service are considered to have been identified and recorded on Grace risk management system, a copy is available on request.

8.2 The major risks associated with the decision regarding award of the Contract are considered to be:

- Failure to reach a decision on award may lead to the Contractor having insufficient time to mobilise the necessary resources to meet the contract start date, creating a loss of the recycling service for a period of time
- Contractor fails to provide required quality of service
- Contractor fails to deliver the commissioned services

9. **Key Decision Information**

- 9.1 Cabinet has approved the Integrated Municipal Waste Management Strategy for Newcastle Borough Council. This tender is one of the services contained in the strategy.
- 9.2 An OJEU advert was placed seeking interest from companies with the necessary capability, capacity and financial capability. An open procurement process was undertaken.
- 9.3 Evaluation of the tenders has been completed and H. Browns and Sons have provided the most economically advantageous tender based upon price and evaluation of the Value Assessment Documents.
- 9.4 The estimated cost of the tender submitted by H. Browns and Sons for the first full year of service (2012-13) is £103,926.00. This falls within the revenue budget for the delivery of the proposed integrated waste management service.