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**PROCUREMENT STRATEGY – WHEELED BINS**

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**Responsible Cabinet Member - Councillor Nick Wallis,  
Leisure and Local Environment Portfolio**

**Responsible Director - Richard Alty, Director of Place**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of this report is to present to members the Procurement Options for the purchase of wheeled bins as required by the Contract Procedures Rules.

**Summary**

2. The Contract Procedure Rules state that all procurements with a value in excess of £75,000 have to be presented to Cabinet in order that Members can consider whether tenders should be designated as strategic or non-strategic. If a procurement is designated strategic then officers are required to present a procurement strategy to Cabinet for consideration.
3. Members recently considered a report that recommended a change in the method of waste collection from black bags to wheeled bins. The implementation of a wheeled bin service requires the procurement of containers that will cost in the region of £1,000,000. Based on value and significance the purchase of the wheeled bins was designated as strategic.
4. The purchase of goods in excess of £173,934 is subject to EU Procurement rules and must be advertised in the Official Journal of the European Union (OJEU). The Council has two options to meet these requirements:-
  - (a) Full OJEU tender by either the open or restricted process;
  - (b) Use the existing Eastern Shires Purchasing Organisation (ESPO) public sector framework to run a further competition.

**Recommendation**

5. It is recommended that Members agree:-
  - (a) To the use of the ESPO framework to run a further competition for the supply of wheeled bins.

- (b) The evaluation criteria as set out in paragraph 18 of this report.

## Reasons

6. The recommendations are supported by the following reasons:-

- (a) The ESPO framework has been procured in accordance with the EU Procurement Directives and offers economies of scale that the authority could never achieve on its own;
- (b) There are six companies on the framework; the evaluation criteria will assist officers in determining the most economically advantageous tender for Darlington.

**Richard Alty, Director of Place**

## Background Papers

No Background papers were used in the preparation of this report.

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S17 Crime and Disorder	It is not considered that there will be a significant impact on crime and disorder as a result of this report.
Health and Well Being	It is not considered that there will be a significant impact on Health and Wellbeing as a result of this report.
Carbon Impact	It is not considered that there will be a significant impact on Carbon Impact as a result of this report.
Diversity	It is not considered that there will be a significant impact on Diversity as a result of this report.
Wards Affected	All Wards will be affected.
Groups Affected	All groups will be affected equally.
Budget and Policy Framework	It is not considered that there will be a significant impact on the Budget and Policy Framework as a result of this report.
Key Decision	This is considered to be a key decision as it is a strategic procurement.
Urgent Decision	This is not classed as an urgent decision.
One Darlington: Perfectly Placed	The purchase of wheeled bins does not particularly impact on the Council's Sustainable Community Strategy.
Efficiency	Utilisation of the ESPO framework will save officer time and allow speedier implementation of the wheeled bin service..

## MAIN REPORT

### Information and Analysis

7. The Contract Procedure Rules state that all procurements with a value in excess of £75,000 have to be presented to Cabinet in order that Members can consider whether tenders should be designated as strategic or non-strategic. If a procurement is designated strategic then officers are required to present a procurement strategy to Cabinet for consideration.
8. Members recently considered a report that recommended a change in the method of waste collection from black bags to wheeled bins. The implementation of a wheeled bin service requires the procurement of containers that will cost in the region of £1,000,000. Based on value and significance the purchase of the wheeled bins was designated as strategic.
9. The purchase of goods in excess of £173,934 is subject to EU Procurement rules and must be advertised in the Official Journal of the European Union (OJEU).
10. Wheeled bins are manufactured to a European Standard and British Standard, the Council intends to purchase to the specification as set out in **Appendix 1** and they will be delivered to residents properties by the manufacturer.

### Options for Procurement

11. The council has two options to meet these requirements:-
  - (a) Full OJEU tender by either the open or restricted process;
  - (b) Use the existing Eastern Shires Purchasing Organisation (ESPO) public sector framework to run a further competition.

#### Option (a)

12. Option (a) would require the authority to advertise the tender in the OJEU, creating international competition for the supply of the goods also there are very specific timescales associated with this approach.
  - (a) The open process requires the tender to be advertised for a minimum 52 days, although this can be reduced if advertising is done electronically. This process is a single stage process which means that all submissions that meet the specification have to be evaluated.
  - (b) The restricted process is a two stage process this means that the Pre-qualification stage has to be advertised for a minimum of 40 days, a minimum of five bidders must be approved to go through to the tender stage and evaluated on the chosen criteria. Bidders must be given a minimum of 37 days to submit their tenders. Again the stages can be reduced if using electronic means to circulate the material.
13. This option would mean the implementation of the new collection system would be significantly delayed.

## Option (b)

14. Central Government advocate the use of pre-tendered frameworks as the best value for money when procuring common goods and services. The Government Procurement Service (GPS) and regional collaborative procurement organisations, including the North Eastern Procurement Organisation (NEPO) and ESPO, work closely together to ensure that the procurement of commonly used products is co-ordinated. This approach not only saves officer time it also reduces the effort required by companies interested in supplying public sector organisations.
15. The Council's Contract Procedure Rules requires that where a framework is available and meets the requirements or specification then officers must utilise the framework unless they have an auditable reason not to do so.
16. The ESPO framework has been properly advertised through OJEU and is fully compliant with the EU Directives. The framework is let with the assumption that it will be utilised by many local authorities therefore it attracts the economies of scale that Darlington Borough Council could not hope to achieve on its own.

## Conclusion

17. On the basis that the ESPO framework affords us the best option for procurement from both a time and a VFM perspective it is proposed that the Council carry out a further competition through the ESPO framework for the supply of wheeled bins.
18. Under EU Procurement rules tenders can be evaluated by price or on the most economically advantageous tender. The proposal is to utilise the ESPO framework the evaluation criteria must follow those used in the original tender when carrying out further competition, because of this officers intend to evaluate on the basis of 60% cost and 40% quality as per the following table.

Price	As per Pricing Schedule as set out in Appendix 1	60%
Quality	Question 1- Ability to meet the Council's specification	Pass/Fail
	Question 2 – Project Plan that demonstrates the bidder can meet the Council's Timescales	25%
	Question 3 – Method statement that sets out how the bidder will meet the Council's requirements	15%

19. There are six companies on the ESPO framework and as they can all provide wheeled bins to the correct manufacturing specification the authority will have to give them all the opportunity to submit a bid for the supply to Darlington.

- (a) Craemer UK Ltd
- (b) ESE Ltd
- (c) ONE51Plastics (UK)
- (d) SSI Schaefer Ltd.
- (e) Straight PLC
- (f) A &C Weber UK Ltd

## Specification

The Council requires 47,800 240 litre black or charcoal grey plastic wheeled bins and 2,200 360 litre black or charcoal grey plastic wheeled bins, both with matching lids.

All plastic wheeled bins must be constructed and conform to the following specification:

- Be fitted with rubber tyred wheels on a sold steel corrosion resistant axle.
- Be manufactured from high density injection moulded polyethylene, UV stabilised.
- The body of the bin and the lid must be available in virgin material and/or with a maximum of 20% recycled material.
- The strutted lifting and retaining bars must ensure that containers will not fall out of the lifting device during the lifting and emptying procedure.
- The lifting profile must be reinforced on the underside by lattice ribs.
- The hinged cross members for holding the lid to be designed as handles for manoeuvring the container.
- The upper rim on which the lid rests is to slope towards the outside edges to ensure that water does not accumulate under the lid.
- Because of the possible future need for identification chips to be fitted to the container, the lifting bar must have the facility to accept all chips in common use in the UK without any further mechanical work.
- The bins must be totally compatible with all available automatic or manual lifting gear.
- Meet EN840 1-6 standard (please supply current certificate).
- Manufactured in accordance with BSEN ISO9002 quality standard or equivalent as a minimum.
- Each bin is required to bear the name and logo of Darlington Borough Council embossed on the front of the bin in the centre.
- Each lid to be embossed with the year of manufacture, serial number and the approved quality stamp

**All wheeled bins are to be guaranteed for a minimum of 10 years against:-**

- Failure through faulty design, materials or workmanship.
- Damage caused by incompatibility with the lifting gear detailed in Clause ..... of this specification.
- Damage caused through insufficient resistance to weathering.
- Spare lids, wheels and other replacement parts must be readily available on request and should be capable of being fitted by non-specialist operators using non-specialist tools and equipment.