

<b>TITLE</b>	<b>Procurement strategy for the purchase and distribution of wheeled bins in the borough</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 29 June 2023
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Director, Place and Growth – Giorgio Framalico
<b>LEAD MEMBER</b>	Executive Member for Environment and Leisure - Cllr Ian Shenton

## **PURPOSE OF REPORT**

The report sets out how the Council intends to procure and distribute wheeled bins to properties in the borough from mid-2024. Approval to change the way waste and recycling is collected in the future was given by the Executive on 21 March 2023. This report specifically focuses on the decision to procure wheeled bins and not to revisit the 21 March approval.

## **RECOMMENDATION**

That the Executive:

- i) Approve the proposed procurement strategy of proceeding to 'open tender' to purchase and distribute wheeled bins in the borough.

## **EXECUTIVE SUMMARY**

On 21 March 2023, a decision was approved to change the way waste and recycling is collected in the future including the introduction of wheeled bins. This paper is seeking the Executive's approval to the approach to procure the purchase and distribution of wheeled bins.

In April 2023, the attached procurement strategy was approved by the Procurement Board and clearly outlines the options appraisal, objectives, finances and reasoning for the preferred procurement route.

This report solely sets out the proposal to procure and distribute wheeled bins via an 'open tender' process. This is the most appropriate procurement option to ensure the Council obtains value for money, as there is a higher level of competition between suppliers and will result in more competitive bids being submitted. The opportunity is also advertised to a wider audience in order to attract more suppliers in the market to submit a tender for the work.

Any delay to this procurement decision would have financial implications for the Council of c.£35k to c.£70k given that the cost of plastic continues to rise. In addition, the Council is aware that due to new responsibilities on local authorities set out in the Environment Bill, numerous other local authorities are also seeking to containerise waste and are also embarking on the process of bin purchase. This increase in demand is likely to affect supply and has the potential to delay operational delivery of the waste collection change.

## BACKGROUND

In March 2023, the Executive approved a report to change the way waste and recycling is collected in the borough including the introduction of wheeled bins. The approval included the expenditure of £1.50m on the purchase and distribution of wheeled bins to properties in the borough.

In April 2023, Procurement Board (an internal senior officer group purposed with the review and officer approval of procurement strategies for high value goods and services) approved the attached strategy to purchase and subsequently distribute wheeled bins across the borough, the process of which will begin shortly, with distribution being completed by summer 2024.

### Analysis of Issues

As part of the decision to change the waste collection service, it was agreed that residents will be provided with wheeled bins for storage of residual waste. The process of procuring the wheeled bins must begin shortly in order for the new waste changes to go live in summer 2024.

There are a number of options that have been considered, which have been carefully assessed to ensure the best value for money for the borough. In light of this, the 'open tender' procedure has been put forward as the most suitable procurement approach for the Council to take. Further details are outlined in Appendix 1.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year 2023/24 (Year 1)	Cost of £1.50m for purchase a delivery of wheeled bins (Capital)	Proposal to fund all costs including implementation costs and wheeled bins from the Waste Equalisation Fund.	Capital
Following Financial Year 2024/25 (Year 2)	(£0.150m) 'repayment'		Revenue

Following Financial Year 2025/26 (Year 3)	(£0.150m) 'repayment'		Revenue
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The funding of £1.50m for the purchase of wheeled bins and associated distribution to properties in 2023/24 was approved in March 2023. It has also been agreed to utilise funds from the existing waste equalisation fund to finance the purchase of the wheeled bins.

The 'repayment' of the £1.50m will take place over a 13-year basis at £150k per annum.

<b>Other Financial Information</b>
The £1.5m is part of an overall £1.96m total implementation cost identified in the report to Executive on 21 March 2023 and to be funded from identified reserves.

<b>Stakeholder Considerations and Consultation</b>
Stakeholder consultation and consideration has been fully assessed through the approved March 2023 report.

<b>Public Sector Equality Duty</b>
An Equality Impact Assessment has been undertaken and contained within the March 2023 report.

<b>Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i></b>
This Council has declared a climate emergency and is committed to playing as full a role as possible through leading by example as well as by encouragement. This proposal will help reduce carbon and single use plastic and support the goal of the Borough reaching carbon neutral by 2030.

<b>Reasons for considering the report in Part 2</b>
No Part 2

<b>List of Background Papers</b>
Appendix 1: Wheeled Bin Procurement Strategy

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## Appendix 1: Procurement Strategy:



**WOKINGHAM**  
BOROUGH COUNCIL

### PROCUREMENT STRATEGY/OPTIONS ANALYSIS

In accordance with the Procurement and Contracts Rules and Procedures (PCRP) (see section 3.1.1): a formal procurement strategy is required for any procurement with a total value above £50,000. The level of approval required for the procurement strategy depends on the type of procurement and total ascertainable value of the contract, as indicated in the table below. Procurement Strategies, requiring Level 2 and 3 approvals, are also subject to review by Procurement Strategic Board (SPB).

State “YES” in the applicable box at either Level 1, Level 2 or Level 3:

#### 1. Level of Approval

Type of Procurement	Level 1		Level 2		Level 3	
	Assistant Director & Director Approval		Executive Approval (NOTE: subject to Procurement Strategic Board Review)		Full Council Approval (NOTE: subject to Procurement Strategic Board Review)	
Goods and Services	£50k – £500k		> £500k	X	Annual Value >£5m or TAV >£25m (if capital >£15m)	
Schedule 3 Services	£50k – £663,540 (VAT inclusive)		> £663,540 (VAT inclusive)			
Works	£50k – £5,336,937 (VAT inclusive)		> £5,336,937 (VAT inclusive)			

#### 2. Project Information

<b>Officer completing this form – name, position and department / Service area</b>	Richard Bisset, Head of Public Realm, Environment and Safety
<b>Project / Contract Title</b>	Introduction of Wheeled Bins (Goods)
<b>Project / Contract Description</b>	Currently general waste is collected via blue bags but as part of a public consultation exercise (Oct – Dec 2022) feedback has shown that the use of wheeled bins would be acceptable to residents. In March 2023, the Council’s Executive approved the proposed change to the waste collection service from 2024. The approval includes the introduction of wheeled bins for the containment of refuse. Around

	67,000 black wheeled bins (mostly 180 litre but some 240 litre and 140 litre) are required to be purchased and then delivered to residents' homes.
<b>Expected Start Date &amp; Duration</b>	The expected start date for wheeled bin procurement (July 2023) will take place after Executive approval in June 2023. It is proposed that the bins are delivered in the Summer of 2024.
<b>Any Extension/s Allowed</b>	No
<b>Total Annual Value</b>	c. £1.5m (c.£1.250m for purchase of bins and c.£250k for delivery of bins to properties). One off cost.
<b>Total Ascertainable Value</b> <i>(proposed contract term, including any allowed extensions x annual value)</i>	c. £1.5m
<b>Procurement Advice</b> <i>This section is to be completed by Procurement</i>  <i>Summary of the advice, including the type of procedure, and if the PS is for setting up of DPS or framework agreement. Attached / append any written advice previously provided, if appropriate.</i>	The recommendation is to procure this contract via Open competitive process which is the recommended route by procurement as is the best route to achieve competition in the market and potential savings, especially due to the volume of bins we require to purchase. By not using the Framework we will also not have to pay the 1% rebate that ESPO charge and now that the timelines allow for us to procure competitively, this is the recommended route.
<b>If procurement is for software, specify outcome of your consultation with IMT and/or Business Change</b>	N/A
<b>Previous Contract Duration</b>	N/A
<b>Previous Contract Value</b>	N/A
<b>Sign off</b> <i>To be completed by Procurement – name and signature of the Procurement Specialist providing the advice</i>	Abi Culton – Senior Procurement Specialist
<b>Date</b> <i>To be completed by Procurement – date signed off by Procurement</i>	14.04.2023

<b>Finance Advice</b> <i>This section is to be completed by Finance</i>  <i>Confirm budget availability and add any comments relevant to the budget.</i>	There is £1.5m available for the purchase of wheeled bins which is funded from the Waste Equalisation Fund.
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<p><b><i>In circumstances, where there is more budget allocated than required for each procurement outcome:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Impact on revenue budgets will be discussed with Finance BP</i></li> <li>• <i>Capital provision may be reduced in line with the procurement outcome</i></li> </ul>	
<p><b>Source of Funding</b> <i>(revenue/capital or specified other)</i></p>	Waste Equalisation Fund – Approved via Executive in March 2023
<p><b>Sign off</b> <i>To be completed by Finance – name and signature of the Finance Team providing the advice</i></p>	Asher Stanford – Finance Business Partner
<p><b>Date</b> <i>To be completed by Finance – date signed off by Finance</i></p>	18/04/23

### 3. Project Justification

#### Link to Service or Corporate Objectives

There are a number of objectives that this proposal contributes to including:

#### **Wokingham Borough Corporate Delivery Plan 2020 – 2024:**

##### A Clean and Green Borough

We will work with our partners to:

- Play as full a role as possible to achieve a carbon neutral Borough, sustainable for the future.
- Reduce our waste, promote re-use, increase recycling and improve biodiversity.

What we will do:

- Deliver against our Climate Emergency Action Plan and ensure becoming carbon neutral is given due weight through all our strategies and decision making

What will success look like:

- Residents change their behaviours to do more to tackle climate change and the Council is seen as setting a positive example.
- The Borough is recognised as a flagship authority in addressing the causes and impacts of climate change.
- Increased recycling and a reduction in general waste produced by each household.

#### **Climate Emergency Plan 2020**

Furthermore, the Climate Emergency Plan 2020 stipulates that the utilisation of single use plastic needs to be reduced across all Council activities and an action plan developed.

Overall Wokingham Borough Council's recycling performance is good with over 50% recycled, however over 55% of the blue bag contains material that could be recycled or reused via the kerbside recycling schemes or Household Waste Recycling Centres (HWRC's). Coupled with the financial elements there is a real need now to capture as much recycling as possible in order to drive forward progress with the climate change action plan.

## **Borough wide Surveys/ Public Consultation results**

In 2021 and 2022 a borough wide waste management surveys were carried out to understand what the most important factors are to residents, acceptability of changing the collection service and introduction of wheeled bins for refuse. The results are as follows:

Overwhelmingly residents stated that environmental concerns were highest to address.

- 86% of respondents are willing to recycle more.
- 54% of respondents felt that environmental benefits are most important.

From October 2022 to December 2022, a more detailed second public consultation was undertaken and over 9,000 responses were received which showed:

- 74% were neutral, accepted or liked the proposed change
- 78% were neutral, accepted or liked wheeled bins for refuse

Therefore, there is now an expectation that the Council enacts this requirement and makes changes to services.

A full Equality Impact Assessment for the introduction and use of wheeled bins has been undertaken in conjunction with the Equality Team.

- **Project Specific Objectives, Appraisal of Options and Project Timetable**

### **Project Specific Objectives:**

The introduction of wheeled bins for refuse will realise a number of benefits which is tied into the new collection service including:

- Generate a saving of more than £0.50m in 2024/25, rising to c.£1.05m to £1.50m from 2025/26
- Increasing the boroughs recycling rate by 10%
- Saving 2,500t of carbon each year

In addition, the following benefits will be realised by introducing wheeled bins:

#### Reduction in street cleansing complaints

Currently waste is collected in blue bags that are delivered to all households on an annual basis. The use of blue bags does lead to an increase of litter from animal attacks when they are presented by residents and this causes an environmental and visual impact to the local area. Containment within a wheeled bin would significantly reduce this problem and improve the street scene therefore reducing complaints. There is a strong desire by respondents to the 2022 public consultation for wheeled bins for the containment of rubbish with over 78% neutral or in favour of wheeled bins.

#### Reduction in the amount of general waste

The use of wheeled bins also reduces the amount of rubbish collected. Currently residents can purchase more blue bags if they run out of their annual supply and there is no limit in place as to how many blue bags can be put out for collection. The containment of refuse within a wheeled bin, with the lid shut, is a definitive answer and it is tested method to minimise waste whilst maximising recycling.

## Health and Safety

From a safety perspective, wheeled bins will reduce the instances of strikes and cuts to the collection operatives. Although injuries are infrequent, the occurrence of sharp objects such as knives/ broken glass poses a real danger. In 2022 an operative was taken to hospital following a deep laceration to the lower leg caused by a broken vase. Although the operative was wearing the correct PPE, the glass penetrated the operatives leg so deeply that he required eleven stitches and four days off work. Containment of this material within a wheeled bin would reduce these instances occurring and make a safer working environment.

## **Timescales:**

The expected timescales are as follow:

<b>Activity</b>	<b>Date</b>
Approval from Executive to proceed with the collection change and introduction of wheeled bins	21 March 2023
Approval from Procurement Board for the purchase of wheeled bins	27 April 2023
Approval from Executive for the purchase of wheeled bins	29 June 2023
Procurement tender	July - September 2023
Contract Awarded	September 2023
Mobilisation	Autumn 2023 – Summer 2024
Bins are delivered and rolled out to resident's properties	Summer 2024
Go live with wheeled bin collections	Summer 2024

## Appraisal of Options

### **Option 1 – Do not proceed with procurement of these goods – rejected**

<b>Benefits / Positives</b>	<b>Risks / Negatives / Disadvantages</b>
	Failure to procure bins would not allow the effective and efficient collection of rubbish as set out in the waste strategy.

### **Option 2 – Run an open competitive tender – recommended**

<b>Benefits / Positives</b>	<b>Risks / Negatives / Disadvantages</b>
The best option for receiving value for money as there is a higher level of competition between suppliers, which may result in more competitive bids being submitted and the opportunity is advertised more widely that may attract more suppliers in the market to submit a tender for the work	The process will take slightly longer to complete due to being over the GPA threshold and having to be advertised internationally – but timelines now allow for us to run this process



The contract would be under WBC's terms and conditions	
WBC would have full control of the procurement activity	
No fee is required to be paid, as there is with frameworks	
The procurement will be relatively simple as if for the procurement of goods and can be evaluated 100% on price	

**Option 3 – Use a corporate contract already available – Veolia waste management collection – rejected**

<b>Benefits / Positives</b>	<b>Risks / Negatives / Disadvantages</b>
	Looked at the option of procuring the bins directly through Veolia who currently manage the waste collections. But wheeled bins are not included within the original contract so would require to be a variation of the contract and due to the value of the bins this variation is unable to be made via the contract as would be in breach of the procurement regulations, therefore this option has been rejected.

**Option 4 – Call-off from a third-party framework agreement ( [ESPO Framework](#) ) – rejected**

<b>Benefits / Positives</b>	<b>Risks / Negatives / Disadvantages</b>
Maximum rates already agreed and by running a call off from the Framework will encourage further competition amongst the suppliers so further price reductions may be achieved	Must use ESPO agreements terms and conditions rather than WBC's standard terms and conditions
Would reduce the time and costs involved with the procurement as the requirement has already been competitively tendered against set requirements	ESPO collect a 1% retro rebate from the suppliers directly, so the costs quoted will be higher to include this charge
The framework is compliant with procurement legislation	

**Recommended option – Option 2 – Run an open competitive tender**

Reasoning: Running an open competitive tender is our best option for receiving value for money. Now that the wheeled bins are not required until May 2024, we have time to procure the bins via a competitive process. The ESPO framework would charge 1% rebate to the suppliers on the framework and this fee would not be in place if the process is run ourselves. Also the evaluation process for this tender would be very straightforward as we can evaluate 100% on price if specified correctly in the specification.

## **Cost Benefit Analysis**

The cost of the project amounts to £1.5m which is divided into:

- Cost of wheeled bins – c.£1.25m - The estimated cost for the wheeled bins is £18 per unit.
- Cost of delivery to properties – c.£250k - The estimated cost for delivery is £4 per property.

These costs have been estimated by carrying out some market research looking at the prices per bin on a framework and speaking with suppliers directly.

It has been calculated that the collection change project will realise annual savings in the region of:

- £0.50m in 2024/25, rising to c.£1.05m to £1.50m from 2025/26

The overall business case has been approved through both Overview & Scrutiny and Executive in March 2023.

## **Contract Management**

The Contract will be overseen by Wokingham Borough Council's Waste Section which will be divided into:

- Procurement and delivery of wheeled bin to Wokingham Borough Council
- Distribution of wheeled bins to properties in the borough

There will be contracts in place for both these parts which will be overseen by the Waste Collection and Disposal Manager. The contract will include clauses for late/missed delivery.

The bins will be distributed to properties during the summer ready for 'go live' in summer 2024.