

FALKIRK COUNCIL

Subject: KERBSIDE RECYCLING COLLECTION
Meeting: EXECUTIVE
Date: 13 JANUARY 2015
Author: DIRECTOR OF DEVELOPMENT SERVICES

1. INTRODUCTION

1.1 This report outlines the options open to members for the award of contract for the provision of kerbside recycling collection for the kerbside box, textile sack, and food waste containers.

1.2 The existing contract is held by FCC Environment Services (UK) Limited and costs the Council £758,737 per annum.

1.3 The contract expires on the 2 May 2015 and as such the Council is required to retender this service. When looking at the how this service could be delivered it was important to do so with two key criteria in mind;

- Could the service be delivered more efficiently e.g. weekend working?
- Did an opportunity exist to expand the service provision to households by collecting additional materials?

1.4 With these two criteria in mind officers created four Lots for bidders to bid against. These Lots were as follows;

- Lot 1: Collection of Fortnightly Box & Weekly Food; Mon to Fri, 8am to 4pm
- Lot 1A: Collection of Fortnightly Box & Weekly Food; Mon to Sun, 8am to 8pm
- Lot 2: Collection of Weekly Box & Weekly Food; Mon to Fri, 8am to 4pm
- Lot 2A: Collection of Weekly Box & Weekly Food; Mon to Sun, 8am to 8pm

In addition to the Lots detailed above officers also allowed bidders to highlight 'additional' material that could be collected as part of the service. For example, officers highlighted Absorbent Hygiene Products (AHPs (including but not limited to nappies)) and bric-a-brac, as two items that could be collected with the service.

1.5 Within the new tender the Council is not proposing to own the vehicles that are operated for the service, as this should be incorporated into the one contract price and a key part of the service delivered by the successful contractor. As such the contract length is for a period of 7 years (from May 2015 to May 2022) to allow for the costs of these vehicles to be kept to a minimum.

1.6 The tender was issued in October 2014. Three bids were submitted to the Council by the deadline of the 8 December 2014 and opened in accordance with Standing Order 11.2 relating to contracts. These bids were from ACE Recycling Group, Biffa Municipal Limited and FCC Environment Services (UK) Limited. The remainder of the report

discusses the evaluation process and the options open to the Council from the bids submitted.

2. BIDS RECEIVED AND EVALUATION

2.1 As this is a key public facing contract the evaluation criteria were split into both the quality (30%) of the submission and the price (70%) the Council would pay.

2.2 The quality evaluation was based on the following seven key criteria:

- Mobilisation Plan
- Daily Operating Plan
- Health & Safety Procedures & Monitoring
- Contract Monitoring
- Contingency Plan
- Contract Completion Plan
- Community Benefits

To reflect the significance of some of the categories within the Mobilisation Plan and the Daily Operating Plan (i.e. vehicle procurement, round design, resource requirements) weightings were balanced accordingly. For the other five criteria, weightings for categories were balanced to reflect their equal importance. Based on the quality evaluation the following marks were attributed to each tenderer:

- ACE Recycling Group submitted an overall low quality tender for the contract, receiving 136.33 points from a possible 210. This equates to 19.1% out of 30%.
- Biffa Municipal Limited submitted an overall high quality tender for the contract, receiving 199.50 points from a possible 210. This equates to 28.5% out of 30%.
- FCC Environmental (UK) Limited submitted an overall high quality tender for the contract, receiving 205.33 points from a possible 210. This equates to 29.3% out of 30%.

2.3 Based on both the quality criteria and price submitted officers evaluated each Lot in turn.

Lot 1 – Collection of Fortnightly Box and Weekly Food; Mon to Fri, 8am to 4pm

2.4 The checked tendered prices ranged from £5,334,812 to £7,867,776 for the full contract term.

2.5 Following the evaluation of the quality and price elements, the tender received from FCC Environment Services (UK) Limited, with an estimated annual value of £953,371 (£6,673,597 over the contract term), was the highest scoring tender submission.

2.6 Within their tender submission FCC Environment Services (UK) Limited propose to add bric-a-brac to the materials collected for no additional charge and also propose adding AHPs to the collection at a cost £10,081 per annum. If Lot 1 is selected for approval, officers recommend adding both these materials to this service.

Lot 1A – Collection of Fortnightly Box & Weekly Food; Mon to Sun, 8am to 8pm

- 2.7 The checked tendered prices ranged from £5,611,581 to £10,242,057 for the full contract term.
- 2.8 Following the evaluation of both the quality and price elements the tender received from FCC Environment Services (UK) Limited with an estimated annual value of £868,888 (£6,082,216 over the contract term) was the highest scoring tender submission.
- 2.9 Within their tender submission FCC Environment Services (UK) Limited propose to add bric-a-brac to the materials collected for no additional charge and also propose adding AHPs to the collection at a cost £10,081 per annum. If Lot 1A is selected for approval, officers recommend adding both these materials to this service.
- 2.10 FCC Environment Services (UK) Limited also proposes to operate the service 7 days a week between the hours of Mon to Sun 8am to 7pm.

Lot 2 – Collection of Weekly Box & Weekly Food; Mon to Fri, 8am to 4pm

- 2.11 The checked tendered prices ranged from £6,861,694 to £9,327,682 for the full contract term.
- 2.12 Following the evaluation of both the quality and price elements the tender received from FCC Environment Services (UK) Limited with an estimated annual value of £1,083,267 (£7,582,869 over the contract term) was the highest scoring tender submission.
- 2.13 Within their tender submission FCC Environment Services (UK) Limited propose to add bric-a-brac to the materials collected for no additional charge and also propose adding AHPs to the collection at a cost £10,081 per annum. If Lot 2 is selected for approval, officers recommend adding both these materials to this service.

Lot 2A – Collection of Weekly Box & Weekly Food; Mon to Sun, 8am to 8pm

- 2.14 The checked tendered prices ranged from £7,161,182 to £11,915,890 for the full contract term.
- 2.15 Following the evaluation of both the quality and price elements the tender received from FCC Environment Services (UK) Limited with an estimated annual value of £1,023,026 (£7,161,182 over the contract term) was the highest scoring tender submission.
- 2.16 Within their tender submission FCC Environment Services (UK) Limited propose to add bric-a-brac to the materials collected for no additional charge and also propose adding AHPs to the collection at a cost £10,081 per annum. If Lot 2A is selected for approval, officers recommend adding both these materials to this service.
- 2.17 FCC Environment Services (UK) Limited also proposes to operate the service 7 days a week between the hours of Mon to Sun 8am to 7pm.

Summary

- 2.18 The following table summarises the evaluated options available:

Category	Lot 1	Lot 1A	Lot 2	Lot 2A
Company	FCC Environment Services (UK) Limited	FCC Environment Services (UK) Limited	FCC Environment Services (UK) Limited	FCC Environment Services (UK) Limited
Annual Cost	£953,371	£868,888	£1,083,267	£1,023,026
Working Hours	Mon to Fri, 8am to 4pm	Mon to Sun, 8am to 7pm	Mon to Fri, 8am to 4pm	Mon to Sun, 8am to 7pm
Additional Material Collected	AHPs (£10,081/yr) & Bric-a-brac (no cost)	AHPs (£10,081/yr) & Bric-a-brac (no cost)	AHPs (£10,081/yr) & Bric-a-brac (no cost)	AHPs (£10,081/yr) & Bric-a-brac (no cost)
Net Budgeted Position (Annual)	£53,371 (without AHP/Nappies) or £63,452 (with AHP/Nappies)	- £31,112 (without AHP/Nappies) or - £21,031 (with AHP/Nappies)	£183,267 (without AHP/Nappies) or £193,348 (with AHP/Nappies)	£123,026 (without AHP/Nappies) or £133,107 (with AHP/Nappies)

3. IMPLICATIONS

Financial

3.1 Regardless of the option selected, the Council will be spending more on this contract than previously. The main reason for this is in relation to the increased volumes of food waste being collected following the introduction of the Sustainable Waste Collection Service as agreed by members at Council on the 11 December 2013.

3.2 This outcome was anticipated and as such, the Waste Services Review, which was completed to support the decision on the new service (completed in 2014), included an increase in the collection costs for this service within its findings. Consequently, as noted within the table in paragraph 2.16, the budgeted position for the service of £900,000 will realise a shortfall in Lot 1, Lot 2, Lot 2A or a surplus in Lot 1A.

Collection

3.3 Depending on which Lot is selected the Council could make a significant change to its collection schedule. Lot 1A and Lot 2A, while both offer a saving over a standard 5 day-a-week service, would result in the Council moving to a 7 day-a-week collection for this service. The key saving stems from being able to use fewer vehicles to deliver the service.

3.4 Regardless of the option selected, the Council has the opportunity to expand the materials collected which will further enhance its options moving forward. For example, the addition of bric-a-brac to the collection will see the Council recycle greater quantities than before. If members agree to the collection of the additional materials, a further report will be brought to members highlighting how this will operate and its likely effect on recycling targets.

3.5 Legal

None

3.6 Policy

None

3.7 Personnel

None

4. RECOMMENDATIONS

It is recommended that the Executive Committee:

- 4.1 Approve the acceptance of the tender submitted by FCC Environment (UK) Limited for Lot 1A in the sum of £6,082,216, for the seven years of the contract from 4 May 2015 to 3 May 2022**
- 4.2 Accept the proposal by FCC Environment (UK) Limited to collect the additional material of Absorbent Hygiene Products (AHPs) and Bric-a-brac for an additional £10,081 per annum (the total contract value will therefore be £6,152,783)**
- 4.3 Note that should the proposal to collect the additional material be accepted, officers will present a report at a future meeting with a collection methodology**

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Director of Development Services

Date: 24th December 2014

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LIST OF BACKGROUND PAPERS

- 1 * Tender documents (2014)

* Item not for publication on the grounds that it involves the disclosure of exempt information as defined in, paragraph 8 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973