DELEGATED AUTHORITY

Approval to award the contract for Borough Wide Litter Bins

Report of Elaine McLean, Executive Director Economy, Place and Skills

Portfolio Responsibility: Cllr. J. Stretton

May 2012

Officer Contact : Elizabeth McKenna
Ext. 1408

Purpose of Report
The report seeks approval to award the contract for borough wide litter bins for the next 3 years.

Executive Summary
The report outlines the tender process undertaken and requests approval to award the contract to MRM Street Furniture Ltd. The procurement process was an open tender via The Chest, the contract value falls under the OJEU threshold and the procedure has been carried out in line with the Council’s Contract Procedure Rules.

Recommendations
The recommendation is that MRM Street Furniture Ltd is awarded the contract for 3 years at a maximum cost of £30k per annum.
Approval to award the contract for Borough Wide Litter Bins

1 Background

Over the last 4 years Oldham Council has introduced a major overall of the Borough's litterbins. A new bin has been designed and introduced over those 4 years to suit Oldham's requirements thus saving approx £5000 per annum due to reduced vandalism and separate contractor costs. Approx 70% of the Borough now has either the plastic or metal bins, using a one stop supplier has led to a uniformed Litter bin throughout the Borough, improved support and quicker response times.

2 Current Position

2.1 The tender was sent open via The Chest and 32 companies expressed an interest, of which 5 bidders submitted a response, 5 bidders opted out of the process and 22 bidders did not respond.

2.2 In alphabetical order the bidders that submitted a response were:

Broxap Ltd
Direct Mouldings
Earth Anchors Ltd
M R M Street Furniture Ltd
Wybone Limited

2.3 Direct Mouldings were declined by the legal department upon tender opening because they did not submit a tender document.

2.4 In numerical order the bin prices offered were:

<table>
<thead>
<tr>
<th>Metal</th>
<th>Plastic</th>
</tr>
</thead>
<tbody>
<tr>
<td>220.00</td>
<td>109.73</td>
</tr>
<tr>
<td>279.00</td>
<td>150.00</td>
</tr>
<tr>
<td>397.00</td>
<td>259.00</td>
</tr>
<tr>
<td>338.80</td>
<td>244.80</td>
</tr>
</tbody>
</table>

2.5 Services offered were an annual maintenance contract free of charge, no minimum order and free delivery charges.

2.6 Tenders were evaluated by Ian Meynell (District Environmental Manager) and Elizabeth McKenna (Procurement Manager).
2.7 The tender evaluation process sought to identify the bidder offering the most economically advantageous tender, to establish this tenders were evaluated with the following weightings:

- 50% price
- 50% technical capacity

2.8 Through the evaluation process it was established that MRM Street Furniture Ltd offered the most economically advantageous tender. The bins that they offered as part of the process are the equivalent to the bins already installed throughout the borough.

3 Options/Alternatives

3.1 To award to MRM Street Furniture Ltd and install/replace new and current borough bins with equivalent bin already established throughout the borough, reaping the benefit of £56 saving per metal bin and 2 free plastic bins for every 20 bins purchased for a period of 3 years.

3.2 To not award the contract and tender ad hoc as and when bins are required this would create a risk of not obtaining the equivalent bin that is already installed across the borough.

4 Preferred Option

4.1 The preferred option is 3.1 above to award the contract to MRM Street Furniture Ltd and install/replace new and current borough bins with equivalent bin already established throughout the borough, reaping the benefit of £56 saving per metal bin and 2 free plastic bins for every 20 bins purchased for a period of 3 years.

5 Consultation

5.1 Consultation has taken place with Procurement, Parks and Street Scene.

6 Financial Implications

6.1 The financial implications that arise in this report relate to cost centres 23901 to 23907 within Environmental Services Liveability directorate.

These cost centres have recently been set up as part of a restructure of the whole service to move in line with the neighbourhoods model and each have retained an Operational Materials budget that includes a provision for purchase and maintenance for litter bins amongst other things.

The table below shows the Operational Material revenue budget for 2012/13, 2013/14 & 2014/15 on account code R40009 for each cost centre.
<table>
<thead>
<tr>
<th>Budget</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>23901 - Chadderton</td>
<td>29,430</td>
<td>29,430</td>
<td>29,430</td>
</tr>
<tr>
<td>23902 – Failsworth</td>
<td>24,900</td>
<td>24,900</td>
<td>24,900</td>
</tr>
<tr>
<td>23903 – East Oldham</td>
<td>36,220</td>
<td>36,220</td>
<td>36,220</td>
</tr>
<tr>
<td>23904 – West Oldham</td>
<td>40,750</td>
<td>40,750</td>
<td>40,750</td>
</tr>
<tr>
<td>23905 – Town Centre</td>
<td>36,230</td>
<td>36,230</td>
<td>36,230</td>
</tr>
<tr>
<td>23906 – Royton &amp; Shaw</td>
<td>29,430</td>
<td>29,430</td>
<td>29,430</td>
</tr>
<tr>
<td>23907 – Saddleworth</td>
<td>18,110</td>
<td>18,110</td>
<td>18,110</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>215,070</td>
<td>215,070</td>
<td>215,070</td>
</tr>
</tbody>
</table>

6.2 The preferred option involves awarding a 3 year contract to MRM Street Furniture Ltd with a potential maximum cost of £30,000 per year.

6.3 It is envisaged the majority of costs will be incurred in year 1 where all bins will be replaced with an alternative. It is expected costs incurred in years 2 & 3 will be mainly for upkeep and replacement purposes and will come in less than the £30,000 contract provision.

6.4 An earmarked reserve of £50,000 has been agreed and identified as a source of funding in 2012/13. There is sufficient revenue funding available in 2013/14 and 2014/15 from the cost centres above to fully fund the contract.

(Danny Jackson)

7 Legal Services Comments

7.1 This report demonstrates compliance with the Council's Contract Procedure Rules. (Michael Lennox).

8 Cooperative Agenda

8.1 In respect of the award of the contract for Borough Wide Litter Bins because the preferred bidder is a local company based in Failsworth. The proposals within this report are in line with the Council's Ethical Framework.

9 Human Resources Comments

9.1 None

10 Risk Assessments

10.1 None

11 IT Implications

11.1 None

12 Property Implications
12.1 None

13 Procurement Implications

13.1 This procurement process has been administered via The Chest using the appropriate documentation and abiding by the Council's CPR's and European Legislation. Corporate Procurement will ensure that the supplier adheres to the quoted price and delivers the project to the detailed specification.

13.2 The tender has resulted in a saving of £56 per metal bin and the offer of 2 free plastic bins for every 20 purchased.

13.3 The contract is for 3 years with the prices fixed for the duration of the contract. The maximum spend per year is £30,000 however should bin demand change we are not committed to spend under the contract.

13.4 The most economical advantageous bidder is a local company MRM Street Furniture Ltd based in Failsworth.

14 Environmental and Health & Safety Implications

14.1 James Fortune-Clubb

15 Equality, community cohesion and crime implications

15.1 None

16 Equality Impact Assessment Completed?

16.1 No

17 Key Decision

17.1 No

18 Forward Plan Reference

18.1 N/A

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: OMBC Purchase of Borough Wide Litter Bins
Name of File: OMBC Purchase of Borough Wide Litter Bins
Records held in Corporate Procurement, Level 8 Civic Centre, West Street, Oldham, OL1 1UG
20 Appendices

20.1 N/A

<table>
<thead>
<tr>
<th>Signed</th>
<th>Dated</th>
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<tbody>
<tr>
<td>Executive Director</td>
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