

BRISTOL CITY COUNCIL

Cabinet

21 July 2011

Report of: Graham Sims, Strategic Director
Neighbourhood & City Development

Title: Waste Services Procurement – Preferred Bidder

Ward: Citywide

Officer Presenting Report: Tracey Morgan - Service Director
Environment & Leisure

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RECOMMENDATION

Cabinet to be informed that May Gurney Ltd have been awarded the Waste Collection, Street Cleansing and Winter Maintenance Contract as the outcome of the competitive dialogue procurement process followed. This is a 7 year contract commencing 1st November 2011, with the opportunity to subsequently extend for a further 7 years.

Summary

Cabinet agreed to change the procurement procedure from Restricted Procedure to Competitive Dialogue in its decision of 10 June 2010. This procedure has culminated in the evaluation of 3 final bids, according to evaluation criteria published during the dialogue process, and resulting in the confirmation of the preferred bidder i.e. the bidder who scored highest against the evaluation criteria. This was May Gurney Ltd. It was agreed that this outcome would be reported to Cabinet on a 'for information' basis.

The significant issues in the report are:

The May Gurney Ltd. bid delivers savings of £2.5m per annum compared to the current contract, as reflected in the Medium Term Financial Plan for 2012/13. It also scored highest in terms of technical quality.

Policy

1. On 1 October 2009, Cabinet adopted the Council's Headline Waste Strategy. Within this strategy were a number of key policy statements, many of which impact upon the contract. Due regard was taken of these statements in developing the specification for this contract, against which bidders have developed their solutions.

Consultation

2. Internal

The Waste Procurement Project Board, comprising key stakeholders from Operations, ICT, Legal, Procurement and Finance, were consulted in relation to the bid evaluation process. In addition, it should be noted that internal consultation was conducted before the commencement of the procurement process, as detailed in the Cabinet Report of 28 January 2010.

3. External

External consultation was not applicable in relation to the bid evaluation process. However, it should be noted that external consultation was conducted before the commencement of the procurement process, as detailed in the Cabinet Report of 28 January 2010.

Context

4. The competitive dialogue procurement procedure was adopted, as it was seen to be the most appropriate solution to maximise the cost savings. The outcome of the procedure has vindicated this decision in terms of achieving the budgeted savings, whilst also providing a solution of high technical quality. Various bids were considered, following the competitive dialogue procedure. This commenced when the OJEU notice was released in July 2010, inviting expressions of interest from bidders. This was supported by a bidders day. 6 bidders responded to the PQQ (pre qualification questionnaire), of which 5 satisfied the pre-qualification requirements. The 5 bidders were invited to participate in dialogue, which commenced October 2010. This was the first stage of a two stage dialogue period. Following submission of outline solutions in January 2011, 3 bidders were invited to continue dialogue. This resulted in the 3 final bids being assessed during June 2011 against the evaluation criteria published during the dialogue process, and resulting in the confirmation of the preferred bidder i.e. the bidder who scored highest against the criteria.

Proposal

5. This report is 'for information'. It confirms the preferred bidder.

Other Options Considered

6. Each of the three final bids were evaluated through the application of the pre-determined evaluation criteria, sub-criteria, weightings and methodology. It would be unlawful for the Council to consider an alternative approach for selecting the preferred bidder.

Risk Assessment

7. The key risk relates to the limited period available to mobilise the new contract in readiness for 1st November launch. As with all 3 final bids, the May Gurney solution included a mobilisation plan. This shows a phased approach to implementation, commencing 1st November. The Council has developed its own mobilisation plan, which will be integrated with that of May Gurney, and reinforced by a robust risk management plan. Such a risk management plan has been in place throughout the procurement process.

Public Sector Equality Duties

8. A survey was carried out in September 2009 with the Citizens Panel, and a series of equalities questions were asked to help us to determine what the equalities related requirements were for the new Waste Collection, Street Cleansing and Winter Maintenance contract. A report was produced which showed the key areas and these were used to help create the specification of the new contract. A copy of the survey was also made available to potential bidders in 2010 to make them aware of the issues for them to consider in their bid. The equalities impact assessment screening was carried out in December 2009. Specific actions have subsequently been taken to reduce / mitigate any of the issues that have arisen as part of the equalities impact assessment during the procurement of the new contract. For example, the PQQ was reviewed to ensure it reflected our needs in terms of equal opportunities. The equalities team also provided input to the specification developed for competitive dialogue, a specific example being the need to provide other languages / formats for all written publicity. Further work to implement the equalities impact assessment will be done in more detail during the mobilisation period.

Environmental checklist

Environmental Checklists are not required for information papers. However, a Checklist was completed when the "Waste Services Procurement, Options Appraisal" report went to Cabinet in 28 January

2010. Environmental considerations have been incorporated throughout the Waste Services Procurement process, with requirements included in the specification and marks awarded during the tender assessment process. As a result, the preferred bidder has committed to a number of environmental improvements, including a 25% reduction in carbon emissions associated with the direct delivery of this contract, together with a reduction in residual household waste and an increase in household recycling and compost rates.

Legal and Resource Implications

Legal

The procurement process for the contract has been carried out in full compliance with the Public Contracts Regulations 2006 (as amended), and it is lawful for the Council to award the contract to May Gurney Ltd.

(Legal advice provided by Phil Roberts, Contracts Solicitor)

Financial

(a) Revenue

The contract award delivers net savings of £2.5m per annum compared to the current contract, as reflected in the Medium Term Financial Plan for 2012/13.

(b) Capital

There are no implications for Capital spend as a result of this contract award.

(Financial advice provided by Mike Harding, Finance Business Partner, Neighbourhoods and City Development)

Land

Not applicable.

Personnel

The procurement of the Waste contract had Transfer of Undertakings (Protection of Employment) Regulations (2006) TUPE implications from the existing contractor to the new bidder. All TUPE information was checked and at the meeting of the 3 final bidders questions were asked of all 3 bidders relating to both TUPE and Human Resources issues. Answers from the 3 bidders satisfied the TUPE regulations and employment legislation.

(Personnel advice provided by Pete Hartell, Human Resources Adviser)

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Bristol City Council Cabinet Reports and Decisions for 28 January 2010
and 10 June 2010.