



## Belfast City Council

**Report to:** Health & Environmental Services

**Subject:** **Provision of 240 Litre Residual Waste Bins**

**Date:** 8th September, 2010

**Reporting Officer:** Tim Walker, Head of Waste Management, Ext 3311

**Contact Officer:** Brendan Murray, Business Support Officer, Ext 3333

### Relevant Background Information

Members will be aware that in May 2010 a review of charges for wheeled bin containers was approved. The charges were based on a tender exercise conducted by arc21 for the provision of wheeled refuse containers.

Following the tender exercise, the contractor for the 240 litre residual waste bins informed arc21 that they were unable to meet their contract obligations and, as a result, the contract was terminated and a new tender exercise conducted.

This report outlines the new supplier for the provision of 240 litre wheeled refuse containers and the impact on the Council's charging mechanism.

### Key Issues

Following the termination of the contract for the provision of 240 litre residual bins, arc21 has recently carried out a new tender exercise for these containers. The tender was for the supply and delivery of 240 litre wheeled refuse containers and the main terms and conditions are as follows:

- Contract duration is 7 months in order to tie in with the expiry date of the concurrent arc21 refuse containers contract.
- Prices are fixed for the duration of the contract.
- No minimum guaranteed quantities
- No exclusivity of supply.

The tenders were evaluated on a cost (90%) and quality (10%) basis. The most economically advantageous tender was received from Tank Engineering Ltd.

Supplier	Average Price
Tank Eng. Ltd	£17.59

The Service recommends that its requirement of 240 litre residual bins is sourced from the above company and in line with the terms and conditions of the arc21 contract.

Taking into consideration this new product price, the Service proposes a revised charge for 240 litre and 140 litre residual bins to householders, passing on the savings arising from the arc21 re-tendering exercise.

Item	Current	Proposed	Refurbished *
140 litre wheeled in	£30.00	£ 27.00	£ 13.00
240 litre wheeled bin	£32.00	£ 30.00	£ 15.00

\* Dependent upon availability

As members are aware that charges are levied per bin sale to cover the price of the container, delivery to the customer's home and associated administration charges. The prices outlined above are for the provision of wheeled bin containers for domestic use, which do not attract VAT. Wheeled bin containers for use in commercial premises will attract VAT at the prevailing rate.

The Council's current bin charging policy requires residents to pay for their bin and any replacements, unless their bin has been destroyed by the Council during the waste collection process. Residents are therefore currently responsible for meeting the cost of replacement bins where the original bin has been destroyed as the result of anti social behaviour, such as bin burning, as to provide a new bin free of charge would cost the Council at least £12,000 per annum given that it is estimated that currently 25% of bin replacements arise from anti social behaviour incidents.

Residents who do require a replacement bin as the result of a confirmed anti social behaviour incident will be offered a refurbished bin, which costs at least 50% less than the new purchase price.

Given the instances of bin burnings, the Service has investigated the possibility of procuring non-combustible bins. However, this option is not recommended based primarily on cost grounds and market soundings. This will, however, be kept under review as new solutions emerge.

## **Resource Implications**

### **Financial**

The recommended charges for bin sales are set to cover the price of the container, delivery to the customer's home address and the associated administration charge.

### **Human Resources**

No human resource implications associated with this report.

### **Asset and Other Implications**

No other implications associated with this report.

## **Recommendation**

It is recommended that the Service source its 240 litre residual bins from the above company in line with the terms and conditions of the arc21 contract.

It is also recommended that the prices for 140 litre and 240 litre residual bins are amended in line with the above pricing table.

<b>Key to Abbreviations</b>
None

<b>Document Attached</b>
arc21 Tender Report – Supply & Delivery of 240L Wheeled Refuse Containers

<b>Decision Tracking</b>
Following consideration by the Committee, the Head of Waste Management will inform arc21 of the decision.

# **Tender Report – Supply & Delivery of 240L Wheeled Refuse Containers**

## **August, 2010**

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### **Supply of 240L Wheeled Refuse Containers Tender Report**

#### **1.0 Purpose**

1.1 To make recommendations arising from tender action for Supply and Delivery of 240L Wheeled Refuse Containers for arc21.

#### **2.0 Background**

2.1 Following termination of the previous contract due to the supplier being unable to supply arc21 councils with 240L bins, subsequent tender action was initiated in accordance with the EU Open Procedure on the 28 May 2010 by the placing of a Tender Notice in the Official Journal of the European Union followed by local press advertisements and an advertisement on the arc21 website.

#### **3.0 Contractual Issues**

##### **3.1 Tender Documents**

3.1.1 The main elements of the tender documents are as follows:

##### **3.2 Invitation to Tender**

3.2.1 The Invitation to Tender document sets out the Authority's requirements and explains the format in which responses are to be made by interested suppliers.

##### **3.3 Specification**

3.3.1 Objective: To provide availability of supply of 240L wheeled refuse containers complying with EN 840:2004 and manufactured by a system conforming to the requirements of BS EN ISO 9000 for arc21.

##### **3.4 Conditions of Contract / Pricing Mechanism**

3.4.1 Supply contract for 240L wheeled refuse containers.

3.4.2 Fixed price per full load,  $\frac{3}{4}$  loads,  $\frac{1}{2}$  loads and  $\frac{1}{4}$  loads.

3.4.5 Prices fixed for the 7 month duration of the contract.

3.4.6 No price indexation arrangement.

3.4.7 No minimum guaranteed quantities.

3.4.8 No exclusivity of supply.

### 3.5 Other Issues

3.5.1 With no minimum guaranteed quantities or exclusivity of supply, no financial commitment from councils exists until orders are placed.

3.5.2 Accordingly, there is not a requirement for all councils to approve the contract subsequent to the Joint Committee but rather only prior to them placing any order on an individual basis.

3.5.3 Orders should be placed in designated quantities of full load,  $\frac{3}{4}$  loads,  $\frac{1}{2}$  loads,  $\frac{1}{4}$  loads. If Councils wish to order different quantities they must combine orders with other constituent Councils' orders.

## 4.0 Tenders Received

4.1 Nine tender submissions were returned by the closing date of 19 July 2010.

4.2 The submissions were from the following suppliers:

- Weber
- Creamer UK Ltd
- MGB Plastics Ltd
- IHS Incorporation Ltd
- Straight Plc
- Sturdy Products Ltd
- Tank Engineering Ltd
- Sellars Engineering Ltd
- Peter Ridley Waste Systems

## 5.0 Evaluation

5.1 Tenders were evaluated in accordance with the criteria stated in the contract documents

5.2 The weightings of the Cost and Quality assessment sections were 90% and 10% respectively.

5.2 The results of the evaluation follow below and comprise the remainder of this report.

## 6.0 Completeness

6.1 All tenders were found to be acceptable in terms of completeness and eligibility.

## 7.0 Technical and Quality

7.1 The tender return documents and certificates submitted by each tender were checked for compliance with the Contract Specification.

7.2. Colour

240L wheeled containers are available in grey, brown, blue and green.

7.3 Artwork

Additional text to be moulded on to 240L wheeled containers in respect of each of the below is included in the rates.

- a) The wording "No Hot Ashes".
- b) Unique sequential serial number.
- c) Year of manufacture.
- d) Name of Authority (up to 15 characters).
- e) Council and/or arc21 logo.

## 8.0 Cost Comparison

8.1 The average price of a container purchased in four different sized loads is shown below. These prices were used for comparison purposes and were calculated for each tender using the method provided in the tender documents.

## **Suppliers Average**

### **Price**

Tank Eng. Ltd £17.59

Sturdy Products Ltd £17.94

MGB Plastics Ltd £18.30

Straight Plc £19.02

Weber Gmbh & Co £19.61

Craemer UK Ltd £19.73

Sellars Eng. Ltd £19.74

IHS Incorporation Ltd £20.06

Peter Ridley Waste Systems £25.41

8.2 Tank Engineering Ltd submitted the lowest average price.

## **9.0 Rates and Prices**

9.1 The actual price will be dependant on the quantity ordered and are shown below:

### **Price / bin Full**

**load (952 units)**

### **Price / bin 3/4**

**load (700 units)**

### **Price / bin half load**

**(475 units)**

### **Price / bin 1/4 load**

**(230 units)**

£17.45 £17.50 £17.50 £17.90

## **10.0 Conclusions**

10.1 As noted above, a full evaluation has been carried out of all tenders in accordance with the criteria set out in the contract documents relating to cost, quality and technical issues.

10.2 Of the nine tenders received and evaluated all were considered acceptable and were particularly competitive in relation to current market prices.

10.3 Tank Engineering Ltd achieved the highest overall score and is also the lowest cost option which is deemed affordable. This tender is therefore considered to be the most economically advantageous out of the nine tenders received.

## **11.0 Recommendation**

11.1 It is recommended that Tank Engineering Ltd is appointed as the supplier to arc21 for 240L wheeled bins for a period of 7 months, with a possible extension up to 6 months.