

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:**

Communications Campaign on Household Recycling – Agency Procurement Update

**REPORT OF:**

MANAGING DIRECTOR

**FOR SUBMISSION TO:**

AUTHORITY MEETING

**DATE:**

11 February 2016

**SUMMARY OF REPORT:**

This report provides an outline of progress regarding the Authority's procurement of a communications agency to develop and deliver a Communications Campaign on Household Recycling (previously known as the joint communications campaign) as approved at the February 2015 Authority meeting. The report notes the movement of the 2015/16 budget for the campaign into 2016/17 as reported at the December Authority meeting and as a consequence the delivery of the campaign is now proposed to be between 2016 to 2019 rather than 2015 to 2018 as originally agreed.

**RECOMMENDATIONS:**

The Authority is recommended to:

1. Note progress on the procurement since February 2015 and the update provided to the Members' Recycling Working Group (MRWG) in September 2015.
2. Note that the advertisement for this procurement will be published in the OJEU as set out in section 3 of this report, and that a decision on the appointment of the successful tenderer will be brought to the Authority meeting in June 2016.

**SIGNED:**

Managing Director

**DATE:** 2 February 2016

## **1.0 BACKGROUND**

- 1.1 The Joint Recycling Communications Campaign (now known as the Communications Campaign on Household Recycling) was launched in 2012 to address low recycling performance across the NLWA area. The current recycling level for dry recycling across the area, which would form the focus of the campaign, is 23%, forming part of the overall level of 33% for recycling at present. The target for 2020 is a 50% recycling rate, and the target for 2015 was 45%.
- 1.2 In February 2015 Members approved proposals to extend the Communications Campaign on Household Recycling (the Campaign) to a three year programme of activity to be delivered by the Authority from 2015/16 to 2017/18. Members also approved plans for the procurement of an agency to deliver a high level campaign, subject to soft market testing.
- 1.3 Authority was delegated to the Managing Director, in consultation with the Chair and Vice Chairs, to carry out a procurement exercise to appoint a consumer creative agency to develop a high level communications campaign, taking account of the results of soft market testing for the service. This report provides an update on that procurement.
- 1.4 The Authority also agreed that updates about the campaign were to be brought to members of the Members' Recycling Working Group (MRWG) and borough officers were to be involved at suitable points during the campaign.

## **2.0 UPDATE FOLLOWING THE FEBRUARY 2015 AUTHORITY MEETING**

- 2.1 Following a procurement process the Authority appointed external campaign adviser Ricardo-AEA in April 2015 to provide market and procurement advice in order to attract a sufficient number of suitable consumer creative agencies to bid for the work of developing the campaign.
- 2.2 While carrying out the initial market research, the Authority learned of a new recycling campaign that would be delivered through a partnership between the Waste and Resources Action Programme (WRAP) and the London Waste and Recycling Board (LWARB), known as Resource London.
- 2.3 The Authority delayed taking forward its plans for a recycling communications campaign while clarification was sought on the scope and form of Resource London's plans and the likely focus of

communications activity in order to ensure that an Authority led campaign would still offer value for money.

- 2.4 Following a review of Resource London's campaign proposals and discussion with borough officers via the Partnership Group (senior borough officers responsible for waste strategy) and further discussion with Members via the Members' Recycling Working Group, as well as with the Chair as the Authority's lead Member on communications, Authority officers have continued to progress the original plans, for a high level recycling communications campaign in north London, as approved by the Authority in February 2015.
- 2.5 The review of Resource London's proposals in 2015 has meant that there was insufficient time to conduct a procurement under the Public Contracts Regulations for an agency to plan and deliver year one of the campaign within the 2015 /16 financial year. Accordingly Members were advised by the Head of Finance at the December 2015 Authority meeting that the budget of £305,000 that was allocated to this campaign in 2015/16 will be transferred into 2016/17 with inflation. Officers therefore propose that the full three year programme of activity now be delivered between 2016 and 2019.
- 2.6 In 2015 officers working with Ricardo-AEA carried out soft market testing and obtained market feedback on the Authority's requirements for the campaign. Officers further obtained comments from borough officers and the Members Recycling Working Group (MRWG), and the campaign specification has been refined. The draft campaign specification attached at appendix 1 incorporates the comments received from all the parties consulted.
- 2.7 Authority officers continue to ensure ongoing borough and Member involvement (the latter through MRWG) in the development of the campaign. Borough officers have been consulted on the draft specification, and their comments taken into account. The report to the Authority meeting in February 2015 set out in paragraph 7.1 how borough officers would be involved during the procurement, and that process is being followed.

### **3.0 PROPOSED APPROACH FOR COMMISSIONING THE 2016-19 CAMPAIGN**

- 3.1 The agency will be procured using the restricted procedure under the Public Contracts Regulations 2015, and a full timetable for the proposed procurement is attached at appendix 2. The work involved in reviewing Resource London's proposals outlined in paragraphs 2.2 to 2.5 has resulted in an unforeseen delay to the programme of activity set out for 2015/16 and as a result the budget for the campaign has been moved into 2016/17.

- 3.2 Under the current timetable the procurement documents will be published in the OJEU and on Contracts Finder (as required by the Public Contracts Regulations) on Friday 12 February 2016 with the deadline for submission of tenders scheduled for Tuesday 3 May 2016. Approval to award the contract will be sought at the 23 June Authority meeting, and the contract award is scheduled for early July 2016 after the mandatory standstill period has expired.
- 3.3 Tenders received will be evaluated to ensure that the Authority's requirements as set out in the specification will be met. The evaluation criteria will be provided as part of the documentation published with the OJEU notice.
- 3.4 The selected agency must then develop a campaign proposition and test this with residents post contract award (a process which is anticipated to take three months).

#### **4.0 COMMENTS OF THE LEGAL ADVISER**

- 4.1 The value of the proposed contract is above the EU threshold for Public Services Contracts under the Public Contracts Regulations 2015 ("PCR 2015") which is currently £164,176 and therefore the procurement will be carried out under the OJEU process. The restricted procedure will be followed and the tenders will be evaluated in accordance with the published evaluation framework to select the most economically advantageous tender
- 4.2 The PCR 2015 permits contracting authorities to carry out preliminary market consultations. The procurement process and the draft procurement timetable as set out in this report comply with the requirements of the PCR 2015 and the Authority's Contract Standing Orders.

#### **5.0 COMMENTS OF THE FINANCIAL ADVISER**

- 5.1 Officers have considered the requirement for bidding agencies to provide a Parent Company Guarantee (PCG) or bond. The Professional Indemnity Insurance requirement placed on agencies by the Authority will protect the interest of the Authority in this procurement, and that it is therefore not necessary to seek a PCG or bond for this procurement.
- 5.2 At the December meeting, members were advised that the programme had been delayed and to reflect this, the budget had also been adjusted and therefore, all years of the programme are fully funded.

**Local Government Act 1972 - Access to Information**

**Documents used:** Draft procurement documents

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**REPORT ENDS**

## **Appendix 1 – Draft Campaign Specification**

<b>Client:</b>	North London Waste Authority (the Authority)
<b>Campaign:</b>	Services for a Communications Campaign on Household Recycling in North London
<b>Contact Officer:</b>	Senior Communications Officer, North London Waste Authority
<b>Budget:</b>	A three year budget of circa £915,000 has been approved, which will be considered annually. A budget of £305,000 exclusive of VAT has been approved for 2016/17 (with expenditure from July 2016 to 31 March 2017), with the option of two one-year extensions to 31 March 2019, with an annual value of approximately £305,000 each.
<b>Campaign dates:</b>	July 2016 to 31 March 2019.  First year's budget 1 April 2016 to 31 March 2017 confirmed, with the option for two one-year extensions

## 1. The Brief

1.1 The strategic context for the Communications Campaign on Household Recycling in North London is as follows:

- Recycling rates across north London are static and to increase them it will be necessary for more people to recycle more items, more of the time
- The Authority and the north London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest (“Constituent Boroughs”) have not yet achieved the interim target of a 45% recycling rate by 2015, set in the North London Joint Waste Strategy
- Targets for recycling rates in the European Union have recently been increased to 65% by 2030.

1.2 NLWA is looking for a creative agency, to develop and deliver an innovative recycling communications campaign, to inspire, motivate and re-energise the target audience, making recycling the right thing to do.

- 1.3 The purpose of the Communications Campaign on Household Recycling is to change behaviour, encouraging non-recyclers to recycle and encouraging existing recyclers to recycle more.
- 1.4 The target audience for the Campaign is residents of the Constituent Boroughs (see 'Section 3' below), for which North London Waste Authority (the Authority) is the statutory waste disposal authority. Information about the Authority, the Constituent Boroughs and the background to this Campaign is provided in the Memorandum of Information (Schedule 1 of the Pre-Qualification Questionnaire ('PQQ')).
- 1.5 The Campaign objective is to significantly increase the quantity of dry household material recycled by residents in the seven Constituent Boroughs. The Campaign should support the Authority's objective (a shared objective with the Constituent Boroughs) of reaching a 50% recycling rate by 2020, i.e. the target is to recycle half of the tonnage of waste collected from households in north London by the Constituent Boroughs by 2020. The objective target of a 50% recycling rate includes organic material, which is composted, and other dry household material that is reused, however, the Campaign objective is focussed on increasing the percentage of dry material recycled (the dry recycling rate is currently 23%).
- 1.6 The quality of recycling collected is also important but is not the immediate focus for the Campaign (though it could be a subsequent focus in years two and three of the Campaign).
- 1.7 The Authority is seeking to appoint an Agency under the terms of a single supplier Framework Agreement to develop and deliver a high-level, aspirational, behaviour change Campaign, i.e. one that does not focus on providing specific instructions about Constituent Boroughs' recycling services. As part of its overall strategy for the Campaign, the Agency will need to work with the Authority to develop and deliver a persuasive and compelling consumer proposition, 'a big idea', which resonates with the target audience (see Section 3 below), changes attitudes and motivates them to recycle more.
- 1.8 The Agency will develop a full communications strategy and deliver all the activities for the Campaign (including any media buying) within the Campaign budget, in order

to effectively apply their ideas to the right marketing channels, to reach the target audience.

1.9 The Framework Agreement will be for a term of two years and nine months, commencing July 2016 and expiring 31 March 2019. Each subsequent year will run from 1 April to 31 March. Orders will be placed by the Authority in accordance with the terms of the Framework Agreement.

## 2. Key elements

2.1 The Agency should:

- a) Provide details of their approach to delivering a high-level ('non-instructional') and motivational Campaign, including a compelling and persuasive consumer proposition (a 'big idea'), which focuses on motivating residents to recycle more, rather than on improving the quality of recycling collected, but which does not encourage poor recycling habits. This approach should be justified by drawing on previous behavioural change campaign experience of the staff to be utilised to deliver the Campaign.
- b) Provide an accompanying communications strategy for the Campaign. The communications strategy should include details of objectives, proposed key performance indicators (KPIs) and milestones, target audiences, tactics and channels (including media mix) proposed, with costs and timescales, for year one of the Campaign and an outline strategy for years two and three, evidencing maximisation of the annual budget of £305,000 and ensuring value for money.
- c) Explain why the channels proposed are likely to be the most effective in order to best reach and influence the target audience and achieve the Campaign objectives.
- d) Provide details of the approach to reaching the target audience, including details of, and a justification for, how they would further define the specific groups targeted by their proposed Campaign strategy from the wider target audience (the identified recycling segments in MOI Annex 3 - 'Segmentation Research').
- e) Demonstrate cultural and political awareness regarding the target audiences and the areas in which the Campaign will be delivered, and take into account and reflect the

urban environment of north London, and the obstacles its residents may face, for example, those living in flats or on estates, as well as in houses.

- f) Provide details of how the Agency will deliver a Campaign that is inclusive and delivers overall 'fair coverage', with a roughly equivalent expenditure in each of the Constituent Boroughs.
- g) Provide confirmation (including details) that the Agency can access the relevant resources (including design, web development and media buying services [not an exhaustive list]) to deliver a strategy that meets the key elements of this specification set out here as 2.1(a) to (j).
- h) Provide details of how the Agency would market-test the likely impact of their proposals with residents prior to Campaign commencement. This testing must be sufficiently robust as to provide confidence to the Authority that the Campaign will be effective. Any concept testing required should be paid for within the Campaign budget and be carried out by an independent market research agency.
- i) Propose suitable methods to monitor and evaluate the proposed activities to assess the impact of the Campaign and engagement with the target audience, together with reporting frequencies. These proposals will need to complement the Authority's annual resident attitude and awareness survey which measures resident awareness and attitudes. As a minimum the Authority requires a quarterly evaluation report containing: a) The quantity of outputs e.g. tweets, media releases or adverts issued in the preceding quarter and b) Some measure of the impact of the activity e.g. numbers or people reached via social media or opportunities to see.
- j) Provide detailed proposals for the account management of this Campaign, including details of the staff allocated to this Campaign (including the relevance of their key skills and areas of expertise). And additionally, detail the methods of communication with the client (the Authority), frequency of contact, factoring in key Campaign milestones and identifying who will be communicating.

2.2 The Agency will be expected to work with the Authority to develop their consumer proposition for this Campaign, following appointment.

2.3 The Agency will need to uphold the environmental ethos of the Authority, namely its commitment to recycling and waste prevention (set out in the North London Joint Waste Strategy) through a commitment by the Agency to ensuring best value for money at the least possible cost to the environment. As part of the Authority's environmental commitment, the Agency is expected to adhere to the same ethos and should source environmentally friendly products and use environmentally friendly practices throughout this Campaign.

2.4 The Agency must ensure that they comply with the 'code of recommended practice on local authority publicity', which is available here:  
<https://www.gov.uk/government/publications/recommended-code-of-practice-for-local-authority-publicity> or equivalent

### **3. The target audience**

3.1 The target audience comprises adults who live in the Constituent Boroughs.

3.2 The Campaign should aim to change the behaviour of the target audience towards household recycling, and should aim to increase the tonnage of dry recycling collected from households, taking account of the nature of the housing in the north London area, and the specific issues for those living in flats or on estates.

3.3 Previous research conducted by the Authority (see Memorandum of Information ('MOI') Annex 3 - 'Segmentation Research') suggests that the Authority is better placed to target existing recyclers through broader, higher level communications activity, rather than non-recyclers, who often need one-to-one service-level information. However, in order to produce a significant increase in recycling rates the Campaign will need to target non-recyclers and those only recycling a little, as well as existing recyclers. Given the breadth of the target audience for the Campaign (the identified recycling segments in MOI Annex 3 - 'Segmentation Research' the Agency will need to define more specifically which groups it will target through its Campaign strategy, and will need to justify its proposals.

3.4 For further details about the audience segmentation research see Annex 3 of the Memorandum of Information.

#### **4. Account management**

##### 4.1 The Agency shall:

- a) Ensure a Project Manager is available to provide a direct contact point for the Authority, during office hours, for the duration of the Framework Agreement.
- b) Provide contact details including telephone number and email address to be used with all issues relating to the Campaign.
- c) Report to and provide regular, informative Campaign updates as detailed in the relevant Order Form, in addition to quarterly meetings or telephone meetings with the Authorised Officer of the Authority (the Authority's Senior Communications Officer) for the Communications Campaign on Household Recycling, to monitor Contract progress.
- d) Propose the frequency and type of reporting (face-to-face meeting, teleconference, email update etc.) so the Authority can manage the Campaign and report internally as well as to its borough and industry partners. Provide an annual Campaign report on activities and progress.

#### **5. Measuring the impact of the Campaign**

5.1 The Agency shall ensure that the Campaign's impact and engagement with the target audience is monitored regularly, along with the progress of the Campaign, in order to provide the Authority with regular progress reports for the Campaign. As a minimum the Authority requires a quarterly evaluation report containing: a) The quantity of outputs e.g. tweets, media releases or adverts issued in the preceding quarter and b) Some measure of the impact of the activity e.g. numbers or people reached via social media or opportunities to see.

5.2 The Authority will separately commission an attitudinal and awareness survey prior to Campaign commencement, which will form the baseline for measuring the impact of the Campaign. The impact of this Campaign will be independently evaluated through research commissioned by the Authority at the end of year one, with a repeat of the survey, which will measure whether the Campaign has achieved a statistically significant increase in awareness, motivation and attitudes towards the Campaign and towards recycling. The Authority expects measurable Campaign recognition at the end of year one and an improvement in motivation to recycle within the identified target audience.

## **6. Tender requirements**

6.1 Tenderers shall submit method statements as set out in 'Schedule 3' of the 'Invitation to Tender', and associated documentation, which should clearly show how it meets the Campaign Specification.

## **7. Supporting documents**

7.1 The following information has been provided to assist Tenderers in putting together their Tender Submission. The documents are for background information only and do not constitute an exhaustive list of the information that is publicly available to provide assistance and guidance to agencies working in the field of recycling communications:

- Summary of 2012-14 recycling communications campaigns
- Segmentation research conducted by MEL Research on behalf of NLWA

- 3Rs Tracking Survey 2014 Recycling attitudes and reported behaviour
- NLWA Soft market testing with agencies – October / November 2014
- WRAP barriers synthesis report
- Constituent Borough recycling communications information

7.2 The information is given to Tenderers in good faith and as a guide only and does not purport to be comprehensive. Tenderers should carry out their own due diligence checks and themselves verify the accuracy of any information provided.

## **8. Key Performance Indicators (KPIs)**

8.1 The Agency will be required to deliver the following Key Performance Indicators (KPIs):

1. To provide a proposition and to have completed testing of that proposition with consumers by 30 September 2016.
2. To deliver the Campaign, including the milestones and targets agreed between the Agency and the Authority and set out in the Method Statements and Order Forms by 31 March 2017.

8.2 Failure by the Agency to deliver the KPIs listed in Section 8.1 may result in a default under the Framework Agreement (Schedule 5 – Framework Agreement Terms and Conditions).

8.3 Further milestones, KPIs and deliverables for each Order will be set out in Order Forms agreed by the Agency and issued by the Authority.

## **Appendix 2 – Draft Procurement Timetable**

## Draft Procurement Timetable

Event	Duration / Days	Dates/deadlines	Notes
<i>Email to borough officers</i>	1	Thursday 21 January 2016	<i>Assuming procurement documents finalised</i>
<i>Comments returned by borough officers</i>	8	Friday 29 January 2016	
Authority meeting	1	Thursday 11 February 2016	
Publish procurement documents on SIMAP (OJEU, PQQ, ITT, Specification and Contract Documents) and invite PQQs	0.5	Friday 12 February 2016	Min 30 days from despatch of OJEU Notice to deadline for submission of PQQ, which must be a working day.
Publish procurement documents on Contracts Finder and the Authority's Website (within 24 hours)	0.5	Monday 15 February 2016	Full documents available on website: <a href="http://www.nlwa.gov.uk">www.nlwa.gov.uk</a> <ul style="list-style-type: none"> <li>• PQQ</li> <li>• MOI</li> <li>• ITT</li> <li>• Contract</li> </ul>
Issue weekly PQQ clarification log #1 (with the Authority's responses) and update website		Thursday 18 February 2016	
<i>Evaluation workshop</i>	0.5	Tuesday 23 February 2016	
Deadline for submission of PQQ clarifications by candidates	1	12pm, Thursday 25 February 2016	
Issue weekly PQQ clarification log #2 (with the Authority's responses) and update website		Thursday 25 February 2016	
Issue final PQQ clarification log #3 (with the Authority's responses) and update website	5	Thursday 3 March 2016	
Deadline for submission of PQQ responses	30	12pm, Thursday 17 March 2016	Regulation 28: Min 30 days from despatch of OJEU Notice and must be a working day.
Evaluation of PQQ responses	0.5 each (3 days)	Monday 21 March to Wednesday 23 March 2016	

## Draft Procurement Timetable

Event	Duration / Days	Dates/deadlines	Notes
Internal reporting and approval	1	Thursday 24 March 2016	
Notification of outcome of PQQ evaluation and identification of bidders invited to tender (tenderers)	1	Wednesday 30 March 2016	
Issue of Invitations to Tender to successful candidates (tenderers)	1	Wednesday 30 March 2016	Min 30 days from invitation to tender to deadline for submission, which must be a working day.
Issue ITT clarification log #1 (with the Authority's responses) and update website		Thursday 31 March 2016	
Issue ITT clarification log #2 (with the Authority's responses) and update website		Thursday 7 April 2016	
Deadline for tenderers requests for clarification / further information	1	12pm, Wednesday 13 April 2016	
Issue ITT clarification log #3 (with the Authority's responses) and update website		Thursday 14 April 2016	
Issue final PQQ clarification log #4 (with the Authority's responses) and update website		Thursday 21 April 2016	
Deadline for submission/receipt of tenders	30	12pm, Tuesday 3 May 2016	Min 30 days from invitation to tender and must be a working day. Can be reduced by 5 days if electronic submission of tenders available Can be shortened to 10 days if PIN used or any time frame if agreed with all bidders.

## Draft Procurement Timetable

Event	Duration / Days	Dates/deadlines	Notes
Tender review	0.5 each 3	Monday 9 May to Wednesday 11 May 2016	This is when each evaluator independently scores the tenders.
Presentations	3	Monday 23 May to Wednesday 25 May 2016	Tenderers to be notified of specific dates.
Tender evaluation	0.5	Tuesday 31 May 2016	This is the date by which each evaluator is expected to complete moderation of the scores of tenderers based on the Presentations.
Moderation meeting	0.5	Tuesday 31 May 2016	Finally the evaluators meet to moderate and agree final scores for the tenders collectively.
Prepare regulation 84 report	ongoing	Tuesday 31 May 2016	
<i>Authority report sign off</i>		<i>Tuesday 7 June 2016</i>	<i>Report updating members on winning agency.</i>
<i>Update boroughs on winning agency's proposals</i>		<i>Tuesday 7 June</i>	<i>Report or meeting</i>
Approval to award	1	Thursday 23 June 2016	At Authority meeting
Notification of contract award decision and commencement of standstill period	1	Friday 24 June 2016 to midnight on Monday 4 July 2016	
Standstill Letters	0.5	Friday 24 June 2016	
End of 10 day standstill	10	Monday 4 July 2016	10 day period
Confirm contract award	0.5	Tuesday 5 July 2016	
Mobilisation period	n/a	n/a	
Contract start and service commencement date	n/a	Tuesday 5 July 2016	
Contract Award Notice (SIMAP and Contracts Finder)	30	Monday 1 August 2016	A contract award notice must be published on OJEU within 30 days of the contract award.
	31 - 60	Tuesday 30 August 2016	A contract award notice must also be published on

## Draft Procurement Timetable

Event	Duration / Days	Dates/deadlines	Notes
			Contracts Finder within 90 calendar days of the contract award date but not before publication of the OJEU contract award notice.
Record in Contract Register		Tuesday 30 August 2016	

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