

Agenda Item No:

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

AWARD OF CONTRACT FOR THE
TRANSPORTATION OF CIVIC AMENITY WASTE

REPORT OF:

HEAD OF WASTE STRATEGY AND CONTRACTS

FOR SUBMISSION TO:

AUTHORITY MEETING.

DATE:

10th February 2010

SUMMARY OF REPORT:

This report advises Members of the conclusion of the tendering process for the contract for the transportation of civic amenity wastes from June 2010 to December 2014 and recommends award of the contract.

RECOMMENDATION

It is recommended that the Authority awards the contract for the transportation of civic amenity wastes from 21st June 2010 to 15th December 2014 to Contractor D.

Signed by Head of Waste Strategy
and Contracts

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Date: 1st February 2010

1.0 BACKGROUND

- 1.1 The current contract for the transport and disposal of civic amenity waste is with LondonWaste Ltd, operating out of their Edmonton site. The contract is just for the provision of civic amenity waste containers and the transportation service, as the actual disposal of the waste is provided for by the Authority's Main Waste Disposal Contract (also with LondonWaste Ltd).
- 1.2 The existing contract commenced in June 2003 and expires in June 2010 with the Authority having taken advantage of a two year extension option in June 2008. The original specification was reviewed for the basic civic amenity waste transportation service and also for the recycle transportation service that the Authority offers to its constituent borough councils, and appropriate amendments were made. The contract was advertised in the Official Journal of the European Union ("OJEU").
- 1.3 The restricted procedure was used in accordance with the Public Contracts Regulations 2006. Eight contractors applied to be invited to tender, and four were shortlisted after the evaluation of pre-qualification questionnaires. They are listed in the supporting report within the Part 2 section of this meeting; all submitted tenders.

2.0 TENDER RECEIPT AND EVALUATION

- 2.1 The tenders were evaluated using a price:quality assessment model under which in overall terms a weighting of 50% was given to the projected price of the service and 50% to the perceived quality of the service as tendered. Furthermore, within the price element of the evaluation there is a 40:10 split between the core service of transporting residual waste and the discretionary service of moving recyclable wastes for our constituent borough councils.

Price Assessment

- 2.2 The price assessment first examined the tendered rates for the basic service of providing civic amenity waste containers and delivering the residual waste to LondonWaste Ltd's site at Edmonton, using the most recent tonnage data available. This analysis is shown at Appendix 1 Part One in the first row ('Residual Price'), where Contractor D is the cheapest, then Contractors B, C and A.

- 2.3 The lowest total weighted price for the basic service was that of Contractor D, which was given the maximum price score of 100 in the ‘% per section’ column. Other contractors were given proportionately lower scores in relation to how much higher their tendered assessment price was than that of Contractor D. For example a Contractor assessed as costing 10% more would receive a score of 90 (i.e. 100 minus 10). All scores were then adjusted in the ‘weighted %’ columns to reflect the overall weighting of 40% for the residual price element of the evaluation, such that Contractor D scored 40 (the maximum), and a Contractor costing 10% more would score 36.
- 2.4 Secondly an overall price for the potential service of transporting recyclable wastes for the Boroughs (the ‘Recycling Price’) was assessed. Here, tenderers had been asked to give a price for the rental of waste containers and prices for the transportation of recyclable wastes by mileage increments to recycling destinations, such prices being banded by radii from the relevant civic amenity site. The result of this analysis is shown at Appendix 1 Part One too.
- 2.5 The lowest total weighted price for the service of transporting recycling waste was that of Contractor D, which was given the maximum price score of 100, and which was then adjusted to reflect the overall weighting of 10% for the ‘recycling price’ element of the evaluation. Other contractors were given proportionately lower scores in relation to how much higher their tendered assessment price was than that of Contractor D.

Quality Assessment

- 2.6 The quality assessment was based on criteria which included technical feasibility and reliability, risk and service management. These criteria were broken down further for assessment purposes, and weightings applied to each component part. The results of the quality assessment are shown at Appendix 1 Part Two.
- 2.7 The component parts of the quality score as assessed through the three method statements have not each been graded separately to show the best contractor and how relatively good the others were; rather each contractor has been given an overall Quality Score, the best of which was given a maximum score of 100 to reflect it being the best on offer, and others being given lower scores expressed as a percentage of the best.

- 2.8 The highest overall quality sub-total was that of Contractor C, whose Quality Score was 43.07. As with the above price assessment, this quality score was then shown in the Quality Sub-Total row as 100 and others were scored in proportion to this in the '% per section' columns. Then all scores were adjusted in the 'Weighted %' column to reflect the 50% weighting for quality in the overall evaluation. For example; the quality score for Contractor A was 32.20 (out of 50). As the highest scoring Contractor (Contractor C) scored 43.07, the quality sub-total for Contractor A was calculated by expressing 32.20 as a percentage of 43.07 (i.e. 74.77%) and adjusting this by the overall evaluation weighting for quality of 50% to arrive at a Quality Sub-Total of 37.38 for Contractor A.

Price : Quality Assessment

- 2.9 Having arrived at a Price Sub-Total and a Quality Sub-Total that each already reflect the overall price:quality weighting of 50:50, these sub-totals were then simply added together to give an overall total weighted score, as shown at Appendix 1 Part Three. On the basis of these scores it is recommended that the contract should be awarded to Contractor D, they having offered not only the lowest overall price but also the second best quality tender (by a relatively small margin), which is shown by the analysis to offer the most economically advantageous tender, i.e. the best overall package in terms of both price and quality of service.
- 2.10 Members should note that two contractors submitted variant bids, alongside their compliant bids. These variant bids did not offer improved conditions or value to the Authority, so were not considered further as sufficient compliant bids were received.
- 2.11 The tendering process for the basic service of providing civic amenity waste containers and the delivery of the residual waste is expected to result in savings of approximately £50,000 in the first 12 months of the contract compared with the costs currently incurred. Members should note that these savings are not at the expense of lesser contract provisions or lower standards of service than are provided under the current contract.
- 2.12 The prices for the transportation of recyclable wastes for the Boroughs will be sent out to the Boroughs as soon as possible so that they can consider whether to avail themselves of this pre-tendered service as allowed by the OJEU notice, subject to any restrictions in their own standing orders.

3 RECOMMENDATION

- 3.1 It is recommended that the Authority awards the contract for the transportation of civic amenity waste from 21st June 2010 to 15th December 2014 to Contractor D.

4 COMMENTS OF THE FINANCIAL ADVISER

- 4.1 The tender evaluation shows that Contractor D has performed strongly on both price and quality and can be recommended for approval. The new contract should result in a budget saving of c. £50,000 per annum.

5 COMMENTS OF THE LEGAL ADVISER

- 5.1 The Legal Adviser has advised throughout the procurement process and all comments are contained within the body of this report.
- 5.2 The recommendation of the contract award in this report is on the basis of the most economically advantageous tender in accordance with C11 of the Authority's contract standing orders. The Authority may award the contract if satisfied that the contract is being awarded to the most economically advantageous tender.
- 5.3 An award notice is required to be issued in OJEU.

Local Government Act 1972 - Access to Information

Documents used:

Tenders received in confidence

Contact Officers: Andrew Lappage, Head of Waste Strategy & Contracts
Mark Partlett, Acting Project Manager – New Services
North London Waste Authority
Lee Valley Technopark, Unit 169
Ashley Road
Tottenham
N17 9LN

Tel: 020 8489 5730
Fax: 020 8365 0254
E-mail: post@nlwa.gov.uk

Appendix 1

			Contractor A		Contractor B		Contractor C		Contractor D	
		Weighting	% per section	Weighted %						
Part One – Price Assessment	Residual Price	40.00%	52.15	20.86	93.89	37.56	52.27	20.91	100.00	40.00
	Recycling Price	10.00%	39.70	3.97	72.04	7.20	68.61	6.86	100.00	10.00
	Price Sub Total	50.00%		24.83		44.76		27.77		50.00
Part Two – Quality Assessment	Method Statement 1- Technical Feasibility and Reliability	20.00%	74.00	14.80	71.00	14.20	88.00	17.60	80.00	16.00
	Method Statement 2 – Risk	10.00%	58.00	5.80	70.00	7.00	86.67	8.67	86.00	8.60
	Method Statement 3 – Service Management	20.00%	58.00	11.60	74.67	14.93	84.00	16.80	80.00	16.00
	Quality Score	50.00%		32.20		36.13		43.07		40.60
	Quality Sub-Total	50.00%	74.77	37.38	83.90	41.95	100.00	50.00	94.27	47.14
Part Three – Price: Quality Assessment	Grand Total	100.00%		62.21		86.71		77.77		97.14
	Overall Ranking			4		2		3		1