

**CONTRACT AWARD
REPORT - PART I**



**The outright capital purchase of
12t Short Wheel Base
Refuse Collection Vehicles
Procurement Reference No.
19475d**

Table of Contents

1. INTRODUCTION	3
2. BACKGROUND	3
3. PROCUREMENT PROCESS	4
4. TENDER EVALUATION CRITERIA	4
5. SUMMARY OF EVALUATION	9
6. FINANCIAL IMPLICATIONS	9
7. RECOMMENDATIONS	9
8. APPROVAL	9

1. INTRODUCTION

This report is in relation to the process undertaken and recommendation related to the award of Contract for the outright capital purchase of the following:

4 off – 12t Refuse Collection Vehicle c/w Terberg TCH-OEL Splitlift, 4x2 Short wheel base chassis/body

2 off – 12t Refuse Collection Vehicle c/w Barlift, 4x2 Short wheel base chassis/body

The procurement process was undertaken via the Eastern Shires Purchasing Organisation (ESPO) Framework 215 - Specialist Vehicles, Lot 1 - Refuse Collection Vehicles

This contract will be executed under the standard Call-Off Terms and Conditions of the Framework and will run for the duration of the project.

2. BACKGROUND

Refuse collection is a statutory function, provided by the Street Scene and Waste service of Plymouth City Council. It operates a household collection of brown and green waste as well as a non-statutory seasonal garden waste collection service. The Council's policy is to continue to deliver domestic waste collection as an in-house service.

This is a highly visible service that touches the life of every Plymouth resident where disruptions to collections can cause considerable customer dissatisfaction and impact on the cleanliness of Plymouth. The replacement vehicles are required to fulfil our statutory waste collection obligations and ensure that customer expectations are met.

The age and reliability of the current RCV's is beginning to prove problematic as these vehicles spend increasing amounts of time being repaired due to defects relating to wear and tear. The impact to this increased breakdown and associated maintenance downtime of vehicles is a drain on resources; delays to services being delivered and increased costs both direct and indirect. As an example, 3 out of 6 of the 12 tonne refuse collection vehicles were recently off the road due to mechanical breakdown, vehicles age, further issues associated with breakdown, become more prevalent and include:

- a. Increased overtime payments for crews working to rectify service disruption
- b. Increase in customer complaints relating to missed collections
- c. Decrease of cleanliness of streets and back lanes due to delayed collection
- d. Health and safety impact of using unfamiliar contingency vehicles
- e. Increased CO2 emissions of older vehicles

Future Proofing - There are proposed changes to legislation from DEFRA's Resource & Waste Strategy (in consultation) and the current Environmental Bill that may affect how we deliver the waste collection services. As only a selection of RCV's has been proposed for replacement during phase 1 of the 3 phase programme this will provide a natural protection. Early feedback on the consultation suggests that our current "TEEP" arrangements, that allows the co-mingled collection of waste materials, may be continued in some format post legislative change.

The requirement forms part of the projected 6-year (2020 -2026) fleet replacement programme, over 3 phases that was approved by the Leader of the Council during December 2019.

3. PROCUREMENT PROCESS

Following a procurement options appraisal, it was determined that undertaking a further competition through a Predetermined EU compliant Framework Agreement was the most suitable route to market to procure this requirement, with the following national framework considered the most suitable:

ESPO Framework 215 - Specialist Vehicles, Lot 1 - Refuse Collection Vehicles

This framework is a nationally procured framework that was established in accordance with EU procurement regulations; it provides a quick, simple and competitive route to the outright purchase of a wide range of specialist vehicles. This includes refuse collection vehicles, road and precinct sweepers, gritter vehicles, gully emptiers, customised vehicles (eg. mobile libraries), minibuses, buses and coaches, chassis', tippers, hot boxes, hook loaders, skip loaders and fire & rescue vehicles. All of the suppliers on this framework have been selected for their experience and ability to provide customers with the aforementioned vehicle types.

The framework is intended to meet the diverse requirements of local authorities and other eligible organisations that operate such vehicles. The call-off options of either direct award or further competition are available.

As part of the framework agreement, there is the option to either direct award, or run a further competition between the framework suppliers within the relevant framework lot.

A Further Competition exercise was undertaken, with all suppliers named on the relevant lot of the framework invited to tender.

4. TENDER EVALUATION CRITERIA

ESPO formed the framework through undertaking an open competition procurement exercise in compliance with all public procurement regulations to appoint suppliers to the framework. Selection of suppliers was based on the Most Economically Advantageous Tenders and was defined in the OJEU Contract Notice as 50% attributed to quality and 50% attributed to price.

Suppliers have been assessed on their financial, technical, insurance, experience and references environmental and health & safety procedures, business continuity plans. Suppliers have also already agreed to the terms and conditions of the framework, and the subsequent call-off schedules.

Evaluation of the Further Competition exercise was undertaken in accordance with the overall evaluation strategy for the project.

A Tender may not have been accepted that significantly failed to satisfy any specific criterion, even if it scored relatively well against all other criteria.

In the event that evaluating officers, acting reasonably, considered that a Tender was fundamentally unacceptable on any issue, then regardless of the Tender's other merits or its overall score, and regardless of the weighting scheme, that Tender may have been rejected.

The award criteria consisted of both mandatory requirements and criteria against which tenders were scored to determine the most economically advantageous tender.

The following mandatory criteria was scored on a pass / fail basis. Failure by the tenderer to meet any of the following mandatory requirements would give rise to the rejection of a tender:

Mandatory Requirement Award Criteria

- **Conditions of Contract:** A tenderer must comply with the 'Call-off Terms and Conditions' of ESPO Contract 215: Specialist Vehicles; any qualification of offer deemed unacceptable may give cause to reject the tender.
- **Vehicle:** Tenderers must offer vehicles that meet the Customer's specification requirements. There must be no variations to the Customer's specification that would, in the opinion of the Customer, materially affect the operational requirements of the vehicles.
- **Warranty:** All vehicles offered must provide a minimum of a three (3) year warranty for the body, chassis and cab, and a minimum of a one (1) year warranty for the lift.

Tenderers complying with these mandatory requirements were then assessed against the following award criteria:

Scored Award Criteria

All tenders were evaluated based on the most economically advantageous tender. The various factors that were utilised in the assessment are:

EVALUATION CRITERIA	WEIGHTING
Price	50%
Non-Price	50%

- **Price (50%)**
 - Purchase price (40%)
 - Basket of spare parts (10%)
- **Non-Price (50%)**

The following non-price elements were evaluated as method statements -

- Warranty (20%)
- Delivery (10%)
- After Sales Support (20%)

The award of this further competition was made based on the highest total scores achieved against the award criteria. A tender may not have been accepted that significantly failed to satisfy any specific non-price criterion, i.e. scores of less than 2, even if it scores relatively well against all other criteria.

PRICE (50%)

Tenderers' scores for the total 'on the road' purchase price (excl' VAT) per vehicle exclusive of options, and the total price of the basket of spare parts was calculated based upon the lowest prices submitted by Tenderers.

Tenderer's scores were determined by the evaluation of the relative competitiveness of each vehicle's total 'on the road' price (excl' VAT), and exclusive of options, and the total price of the basket of spare parts multiplied by the relative weighting. These scores were then added together to give the overall financial weighted points total out of 50% and relative ranking in order of overall competitiveness (see Example A below).

$$\left(\frac{\text{Lowest Total Tender Sum}}{\text{Tenderer's Total Tender Sum}} \right) \times \text{Weighting} = \text{Weighted score}$$

The Tenderer with the lowest price were awarded the full score of 50 [50%], with the remaining Tenderers gaining pro-rata scores in relation to how much higher their prices were when compared to the lowest price.

The following table outlines how the above detail was managed, using the purchase price award criteria percentage of 50% in this illustration.

Table A – Price evaluation model

Example below shows maximum points available = 50 (50%)

Weighting	% Split
12t RCV Split bin lift 4x2 Short wheel base chassis/body	20%
Basket of Spares for the above	5%
12t RCV Bar lift 4x2 Short wheel base chassis/body	20%
Basket of Spares for the above	5%

A. 12t RCV Split Bin Lift 4x2 Short wheel base chassis/body

Tenderer	Price	Calculation	Final Score
1	£110,000	110,000/110,000 x 20	20.00
2	£130,000	110,000/130,000 x 20	16.92
3	£150,000	110,000/150,000 x 20	14.67

B. Basket of Spares for 12t RCV Split Bin Lift

Tenderer	Price	Calculation	Final Score
1	£115	100/115 x 5	4.35
2	£100	100/100 x 5	5.00
3	£120	100/120 x 5	4.17

C. 12t RCV Bar Lift 4x2 Short wheel base chassis/body

Tenderer	Price	Calculation	Final Score
1	£130,000	110,000/130,000 x 20	16.92
2	£110,000	110,000/110,000 x 20	20.00
3	£150,000	110,000/150,000 x 20	14.67

D. Basket of Spares for 12t RCV Bar Lift

Tenderer	Price	Calculation	Final Score
1	£115	$100/115 \times 5$	4.35
2	£100	$100/100 \times 5$	5.00
3	£120	$100/120 \times 5$	4.17

Total Price Score = A + B + C + D Score

Tenderer	Total Score	Ranking
1	45.62	2
2	46.92	1
3	37.68	3

NON-PRICE (50%)

Tenderers were asked to provide a number of method statements, which were intended to explain how they would meet specific requirements.

There were nine (9) method statements to be provided in total.

Method Statements

When responding to the method statements Tenderers had to ensure that, they answered what was being asked. Anything that was not directly relevant to the particular method statement should not have been included, but wherever possible Tenderers had to demonstrate how they would go further than what was being asked for, to add value.

Tenderers had to ensure that their answers informed not just what they will do, but how they would do it, and what their proposed timescales were (as relevant). It is useful to give examples or provide evidence to support your responses. The purpose was to include as much relevant detail as required, so that the evaluation panel understands the fullest possible picture.

Each method statement was evaluated individually, one by one, in order and as per the scoring scheme below. When scoring each statement, no consideration was given to information included in other answers so Tenderer's were asked not cross reference to responses or information provided elsewhere in their tender submission.

Each method statement was scored on a scale of 0 to 5 points, in accordance with the following scheme:

Table B – Scoring structure for method statements

Response	Score	Definition
Excellent	5	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement/outcomes and provides details of how the requirement/outcomes will be met in full.
Very good	4	Response is particular relevant. The response is precisely detailed to demonstrate a very good understanding of the requirements and provides details on how these will be fulfilled.

Good	3	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements/outcomes will be fulfilled.
Satisfactory	2	Response is relevant and acceptable. The response addresses a broad understanding of the requirements/outcomes but lacks details on how the requirement/outcomes will be fulfilled in certain areas.
Poor	1	Response is partially relevant and poor. The response addresses some elements of the requirements/outcomes but contains insufficient/limited detail and explanation to demonstrate how the requirements/outcomes will be fulfilled.
Unacceptable	0	No or inadequate response. Fails to demonstrate an ability to meet the requirement/deliver the required outcomes.

Tenderers had to achieve a score of 2 or more for each scored item. Any scored criteria item receiving less than 2 would result in the Tender being rejected and Tenderers being disqualified from the process.

Tenderers scores for each method statement were multiplied by the relevant weighting to result in a 'weighted score' for that method statement. The weighted scores were then totalled, with the total expressed as an overall score out of 50.

Method Statements		Tier 1	Tier 2	Tier 3
Non-Price		50%		
Warranty			20%	
MS1	Details of Warranty Terms & Conditions			10%
MS2	Details of Agent(s) to be used			10%
Delivery			10%	
MS3	Delivery Lead-times			5%
MS4	Provisions in the event of delayed delivery			3%
MS5	Delivery and Vehicle Progress			2%
After Sales Support			20%	
MS6	Details of the arrangements for the Provision of After Sales and Technical Support			5%
MS7	Recommended Service intervals and any restrictions			5%
MS8	Handover and Training			5%
MS9	Imprest Stock			5%

Total Evaluation Methodology (100% of weighting)

To determine the overall total score and corresponding ranking for each Tenderer, it was necessary to add the total weighted price points score with the total weighted non-price points.

5. SUMMARY OF EVALUATION

The Further Competition was published electronically via, The Supplying the South West Portal on 7th September 2020 with a Tender submission date of 25th September 2020.

The received Tender submissions were evaluated in accordance with the overall evaluation strategy set out above, and were independently evaluated by Council Officers, all of whom had the appropriate skills and experience, in order to ensure transparency and robustness in the process.

In order to ensure fairness of the process the evaluation of Quality and Price were split, with Price information being held back from the Quality evaluators.

The evaluation process, including vehicle demonstration (where required) and moderation of the scores concluded on 28th January 2021.

The resulting quality and financial scores are contained in the confidential paper.

6. FINANCIAL IMPLICATIONS

Financial provision has been made for this contract within the project budget. Details of the contractual pricing are contained in the confidential paper.

7. RECOMMENDATIONS

It is recommended that the contract for the outright capital purchase of the following vehicles be awarded to the successful framework supplier.

4 off – 12t Refuse Collection Vehicle c/w Terberg TCH-OEL Splitlift, 4x2 Short wheel base chassis/body

2 off – 12t Refuse Collection Vehicle c/w Barlift, 4x2 Short wheel base chassis/body

This award will be provisional and subject to the receipt from the highest scoring Tenderer of the satisfactory self-certification documents.

In the event the highest scoring Tenderer cannot provide the necessary documentation, the Council reserves the right to award the contract to the second highest scoring Tenderer.

8. APPROVAL

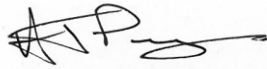
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Date: 08th February 2021

AUTHORISED SIGNATORY:

A handwritten signature in black ink, appearing to read 'AP', with a long horizontal stroke extending to the right.

Signature:

Print Name: Anthony Payne

Position: Strategic Director for Place

Date: 10.2.21