



HERTFORDSHIRE WASTE PARTNERSHIP

MEMBER'S GROUP 13th July 2009

Item 8: Joint Procurement Update – Tender for the Supply of Kitchen Caddies

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1. Purpose of Report

- 1.1. To report the results of the recent tendering exercise for the joint procurement of kitchen caddies.

2. Background

- 2.1. During the latter half of 2008/09 a number of constituent authorities submitted applications to the waste infrastructure capital grant fund (WICG) for the provision of kitchen caddies. The WICG provides 75% funding for the purchase of domestic recycling containers including caddies with the remaining 25% provided by the constituent authorities.
- 2.2. Given that joint provision of equipment and services is a key theme in the Joint Municipal Waste Management Strategy, the operations sub group was asked to come up with a joint specification which was subsequently agreed.
- 2.3. As a consequence it was decided that the Hertfordshire Waste Partnership (HWP) would lead on a joint tendering exercise, recognising that the County Council would be the contracting authority due to the HWP having no legal status.
- 2.4. Of the 5 constituent authorities included 4 agreed to use the joint specification, which is a green 5 litre caddy with solid sides and no vents. The caddies are made from stabilised UV protected plastic resistant to chemical and biological materials. The specification also requires a manufacturer's warrantee of at least 3 years.
- 2.5. Due to local issues the specification for Three Rivers had to be amended and differs only in that their caddies are 7 litres in size and brown in colour.

3. Tender Process

- 3.1. Following agreement on the joint specification, HWP officers liaised with the County Council's procurement department to put together and manage the joint tender.
- 3.2. The tender was advertised on Friday, 24th April 2009. Tenderers were given until Monday, 11th May 2009 to reply. Two companies responded to the tender including Straight Recycling and Peter Ridley Waste Systems.
- 3.3. Tender evaluation took place on Monday, 18th May 2009 and was conducted by the Partnership Development Manager and an officer from the County Council's procurement department. Marks were awarded with a criteria based on 60% price and 40% quality.
- 3.4. Following evaluation it was determined that the Peter Ridley quotation was invalid as a result of not meeting the specification with respect to the manufacturers warrantee. However, it was decided to evaluate the rest of the tender to provide an additional benchmark against which to judge the submission from Straights.
- 3.5. The tender was subsequently awarded to Straights with the contract start delayed until the 1st June 2009 to allow for the requisite 'cool off' period following tender award.
- 3.6. The only difficult issue of note identified during the evaluation process was an inability to satisfy the requirement to provide 5 litre caddies printed on opposing sides. The original intention had been that one side would include the HWP logo with the opposing side the relevant Borough logo.
- 3.7. The specific shape of a 5 litre caddy results in the production process being unable to print on opposing sides. As a consequence, after further clarification with Straights and discussions with the constituent authorities, it was agreed that printing would be on one side only with the HWP and Borough logos side-by-side.

4. Tender Results

- 4.1. The table below details the number of caddies that will be purchased through the joint tender by each of the constituent authorities taking part : -

Borough	Tender Quantity	Anticipated Price	Tender Price	Savings	Revised WCA 25% Contribution
Dacorum	10,000	£2.00	£1.19	£8,100	£1,488
East Herts	50,000	£2.00	£1.19	£40,500	£14,875
Stevenage	32,100	£1.81	£1.19	£19,801	£9550
Three rivers	36,000	£2.00	£1.19	£29,160	£10,710
Watford	27,500	£3.39	£1.19	£60,625	£8,181
Sub total	155,600	Total Savings £158,186			

- 4.2. Based on the original WICG applications the average anticipated price for a kitchen caddy was £2.21 (total anticipated expenditure divided by total number of units). However, the price through the joint tender came in at £1.19 per unit for both the 5 and 7 litre caddies printed on 1 side.
- 4.3. The provision of 155,600 caddies via a joint tender has saved over £158,000 compared to the anticipated total spend. This demonstrates the inherent value in the joint procurement of goods and services based on a common specification and in this instance means funding can be added back into the WICG for further investment in waste management services in Hertfordshire that otherwise might have been spent had the constituent authorities purchased in isolation using individual specifications.
- 4.4. To try and make the contract as flexible as possible 2 key mechanisms were included in the specification. Firstly we have reserved the right to vary the total number of units being procured through this contract (within reason). Secondly the price per unit will be held for up to 12 months from contract award. This means that up to the end of May 2010 any constituent authority will be able to purchase kitchen caddies via this contract at the tender price thereby gaining the benefits of the joint tender without necessarily being in it from the start.
- 4.5. Also built into the specification is a requirement to provide weekly updates once production starts to ensure that any potential problems are known and managed in advance to minimise any inconvenience. Following contract award Straights have already booked the relevant production time at their manufacturing facility.

5. Observations

- 5.1. Whilst in general terms the joint tender has been a success, from a Partnership perspective there is one key issue which needs further thought and discussion to inform future procurements of this nature.
- 5.2. The inclusion of Borough logos on equipment such as caddies and boxes unnecessarily complicates the procurement and deployment of such assets. Because the caddies will come with Borough logos we have removed the possibility of being able to redeploy these assets elsewhere in the HWP should the plans of individual boroughs change meaning that they can no longer use their allocation.
- 5.3. Whilst the desire to include individual Borough logos is understandable, given the increasing level of scrutiny placed on public procurement as well as a general desire to see maximum value for money, an insistence on using individual logos which then limit the flexibility of such assets is questionable.
- 5.4. HWP officers will address this through the agreement of a protocol which will look to establish rules governing such issues. This will be assisted by new brand guidelines being developed as part of work to refresh the WasteAware brand as it looks to accommodate 'recovery' messages linked to the residual waste procurement programme. This is discussed in more detailed elsewhere on the agenda.

6. Ordering & Payment

- 6.1. Following the tender 'going live' HCC placed 5 separate orders (1 per constituent authority) on the 5th June 2009. HCC will pay for each order and then invoice each constituent authority for their 25% contribution.

7. Recommendations

- 7.1. That the Member's group notes the report.