

Procurement Title

Provision of a Framework Agreement – Lease of a Waste Transport Fleet for Lancashire Renewables Limited.

Procurement Option

Open Procedure compliant with the Public Contract Regulations 2015

New or Existing Provision

New provision.

Estimated Annual Contract Value and Funding Arrangements

The estimated annual value is £1,250,000 - £1,700,000. The total value of the contracts called off from this framework is £6,250,000 - £8,500,000

The new Transport Fleet budget allocation will be taken directly from the council's Waste Management revenue budget. Further detail is provided below.

There is no commitment, or guarantee of the value of the services and/or number of call-offs to be placed with the supplier appointed to the Framework.

Contract Duration

The Framework will be let for a period of four years from 16 December 2019 to 15 December 2023. The contracts called off from this framework will however be 5 years in length.

The Framework will contain a non-mutual termination clause for the council's use enabling termination on twelve months' notice, whilst call-off lease orders may be terminated on three months' notice.

Lots

Not applicable.

Evaluation

Quality Criteria: 40%	Financial Criteria: 60%
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The Framework will be evaluated using the Crown Commercial Services Supplier Questionnaire which is compliant with the Public Contract Regulations 2015.

Stage 1: The Supplier Questionnaire will evaluate suppliers against the following criteria: mandatory and discretionary grounds to ascertain suppliers' financial status, technical capability questions, experience, and references, with particular reference to their ability to demonstrate their experience in operating in compliance with industry standards. Each tenderer must pass this stage in order to proceed to Stage 2.

Stage 2: The evaluation will be based on 40% Quality Criteria, 60% Financial Criteria. The Quality Criteria will include social value at 10% of the overall weighting which considers environmental concerns.

The highest scoring tenderer will be appointed to the Framework.

Contract Detail

- Background – Lancashire Renewables Limited (the "Company") historically managed the contract for the transportation of wastes around the Council's network of waste transfer, processing and disposal facilities (the "Transport Contract"). The Transport Contract originated from the now terminated Waste PFI contract; and as such, the parties to the Transport Contract were the Company and Viridor Lancashire Ltd ("Viridor") the former PFI transport contractor. All costs for the transportation of waste under the Transport Contract were passed direct to the Council. The Transport Contract expired on 31 May 2019 and the transport services are now provided by the Company further to the Council's Cabinet approval dated 09 August 2018.
- The Company now requests approval to proceed with its obligations to complete the seamless transfer of waste haulage services and undertake an OJEU compliant procurement exercise for the replacement of the existing and aged waste haulage fleet (30 tractor units and trailers) that is currently in place on an interim basis and through an extended agreement with the incumbent lease and service provider.
- The waste haulage fleet requirements are for 30 tractor units and their respective trailers units which will continue to provide essential waste haulage services around the County of Lancashire. As an essential part of the lease agreement, the supplier must also provide a comprehensive repair and maintenance service for the new fleet, to include tyre management and servicing arrangements.
- A single supplier Framework is recommended and the call-off lease orders are to be placed under the Framework over a five-year term.
- New accountancy rules introduced on 01 January 2019 (IFRS 16 - Leases: new financial reporting standard) means that the long term lease of the new waste transport fleet and furthermore any additional long-term contract lease arrangements are now constituted as 'assets' and as such the Company is unable to account for these within its balance sheet due to asset ownership and respective equity being held by the Council.
- Therefore, rather than the Company being the Contracting Authority as originally envisaged within the initial stages of the tender strategy review, it is now necessary that the tender exercise is undertaken by the Council and with the Council being named as the Contracting Authority rather than the Company. With these changes, approval must be sought in accordance with the Council's internal governance procedures.
- In terms of the Council's accountancy treatment of the lease arrangement, it is classified as a finance lease that is included within the Council's capital programme. On 06 August 2019, this matter was presented to the Council's Capital Board who agreed to support the proposal which can be funded from existing budget provision within the Waste Management Service revenue budget, meaning there is no requirement for additional funding.

- The tender is scheduled to be advertised as soon as possible in September 2019 subject to prior Cabinet approval being received, with the Framework being awarded and lease orders placed by mid-December 2019. This will allow sufficient lead-time for the leased equipment to be manufactured and delivered for operations to commence on or around the 01 November 2020. It is therefore requested that approval to proceed with the advertisement of the tender is granted by the Leader of the County Council.

Review of Third Party Frameworks

There are a number of third party frameworks available. However, after an extensive review of the options available it has been concluded that conducting a bespoke tender is more likely to generate savings via increased competition and avoiding the indirect additional costs which tenderers add onto their prices on third party frameworks. The savings estimate from the latter point alone are 0.5 - 2% of the contract value (approximately £18,500 per annum). Market engagement undertaken further justifies this position.

Procurement Title

Surface Carriageway Road Planing – Framework Agreement

Procurement Option Open Procedure compliant with the Public Contract Regulations 2015

New or Existing Provision

To replace existing provision

Estimated Annual Contract Value and Funding Arrangements

The estimated annual value is £600,000. The total value of the Framework over its maximum four-year term is £2,400,000

The budget allocation is from the Highways Capital and the other DFT funded budgets.

There is no commitment, or guarantee of the value of the services and/or number of call-offs to be placed with the suppliers appointed to the Framework.

Contract Duration

The Framework will be let for a period of four years from 1 December 2019 to 30 November 2023.

The Framework will contain a non-mutual termination clause for the council's use enabling termination on 30 days' notice, whilst call-off orders may be terminated on 30 days' notice.

Lots

Two Lots and 6 sub-lots –with multiple suppliers in each Lot and sub-lots.

- Lot A – for planing by measured surface area
- Lot B – for planing by daywork rates (6 sub-lots based on planing machine size)
 - Lot B1 – Cold Planing Machine – 0.35m
 - Lot B2 – Cold Planing Machine – 0.50m
 - Lot B3 – Cold Planing Machine – 1.00m
 - Lot B4 – Cold Planing Machine – 1.20m/1.5m
 - Lot B5 – Cold Planing Machine – 2.00m/2.10m
 - Lot B6 – Cold Planing Machine – 3.20m

Evaluation

Quality Criteria: Pass/Fail	Financial Criteria: 100%
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The Framework will be evaluated using the construction PAS91 Questionnaire that is compliant with the Public Contract Regulations 2015.

Stage 1: The Supplier Questionnaire will evaluate suppliers against the following criteria financial status, business & Professional standing / Health & safety / Equal

Opportunity / Environmental Policy / Quality Management. The questionnaire will include social value that will consider environmental concerns.

Each tenderer must pass this stage in order to proceed to Stage 2.

Stage 2: The award evaluation will be based, 100% Financial Criteria.

A total of the five highest scoring tenderers will be appointed to each Lot on the Framework.

Contract Detail

The agreement is for surface carriageway road planing works throughout the county. The planing Framework is used by Highways to call off supporting road-planing services when required.

The contractor's on this contract will be required to provide and use plant & machinery to remove part, or all, of the road surface in preparation for road re-surfacing with bitumen.

Review of Third Party Frameworks

A review of third party Frameworks has concluded that conducting a bespoke tender is more likely to generate significant savings via increased competition and avoiding the indirect additional costs that tenderers add onto their prices on third party frameworks.