

## Invitation to Tender:

# A Commercial Waste and Recycling Collection Service for Leeds City Centre



25th August 2017



# Saving Money and Improving Commercial Waste Services



## 1.0 Introduction

### 1.1 Tender Process

This document provides the information that applicants will require to submit a successful final tender for the Leeds Business Improvement District (LeedsBID) commercial waste contract. It is accompanied by some information about LeedsBID.

The tender will be a single stage process, with any commercial waste supplier welcome to apply. Applications should be sent to Emma Fletcher at Eunomia Research & Consulting by the deadline of 18th September 2017:

e: [emma.fletcher@eunomia.co.uk](mailto:emma.fletcher@eunomia.co.uk) t: 0117 440 7547

Applications will be evaluated by LeedsBID, with support from Eunomia, and further discussions may be undertaken with the preferred applicant to agree the final service specification.

### 1.2 Leeds Business Improvement District

LeedsBID is a business-led, not for profit organisation voted for by the city centre's businesses and endorsed by the public sector. A multi-sector BID, LeedsBID represents over 1,000 businesses throughout the city centre of LS1 and LS2. LeedsBID was established on April 1st 2015, after 84% of businesses over £60k rateable value in the designated BID voted in favour of its formation.

LeedsBID is using its £2.5m annual budget to drive the city centre forward, improving experiences, standards and adding value, working in collaboration with all sectors. It will make Leeds city centre a cleaner, safer and more welcoming place; raising its profile through a series of diverse and prestigious events and innovative marketing campaigns, bringing direct benefits to businesses and enhancing the experience of all city centre users.

The LeedsBID area is shown in Annexe 1.

### 1.3 Waste Collection Service

LeedsBID is now seeking to save money, improve the appearance of local streets and improve the services provided to its levy payers by procuring a waste collector to offer a high quality, low cost waste and recycling service.

The contract LeedsBID proposes to let is somewhat unusual in that it does not carry with it the guarantee of any work. Instead, the contract will be for the opportunity to offer

collection services to businesses in the LeedsBID area, with sales and other support provided by LeedsBID.

While we cannot guarantee the level of take-up by levy payers, there is already a strong indication of support for improved services. In a recent survey, 43% of levy payers said there were improvements that they wanted in relation to their current collection contract. Clearly, if LeedsBID are able to deliver a contract that offers better services at a lower price, this will be attractive to a substantial share of the commercial waste market in the city centre.

We believe the new service will be better and cheaper, and that in combination with the following factors, will result in a very high level of collection density for the successful bidder:

- Waste collection services offered by other BIDs across the UK have achieved high levels of take-up – often 60-70% of businesses.
- LeedsBID will promote the service locally, through our staff, website and newsletter.
- LeedsBID are in frequent contact with businesses, and will ensure that it uses these opportunities to explain the benefits of using the service.

Whilst LeedsBID can offer marketing and promotional assistance, the successful bidder will need to build on this. The contractor will need their own sales staff to take action to sign up each individual business to a waste collection contract.

The overall aims of the procurement are:

- To enable LeedsBID levy payers to save money on waste collection.
- To improve the reliability and frequency of collections
- To increase recycling and reduce waste to landfill.
- To improve the local street scene and environment (e.g. reducing time between waste being presented and collected, reducing the number of vehicle movements in the area).

## 2.0 Instructions

### 2.1 Form of tender

Applicants for the LeedsBID contract are requested to submit five separate documents:

- 1) A completed table, as provided in Annexe 2, responding to each requirement of the specification set out in Section 3 below, stating whether your proposal (a) meets, (b) exceeds or (c) does not meet the minimum requirement.
  - a. Mark an 'X' in the correct column to indicate whether your proposal meets, exceeds or does not meet the requirements.

- b. If your proposal will exceed the requirement, please briefly state how in the comments column. Fuller details can be provided in the Method Statements.
  - c. If your proposal will not meet the requirement, please indicate why in the comments column.
  - d. LeedsBID reserves the right to reject any proposal that does not meet one or more of the minimum requirements.
- 2) A document responding to all of the four method statement questions set out in Section 4.0 below, explaining the proposed approach to collecting commercial waste in our area;
- 3) An annexe providing details of your relevant licenses and insurances to perform the activities involved under this contract, including:
  - a. Proof of registration as a licenced waste carrier;
  - b. Level of Public liability insurance, which as a minimum must have an indemnity limit of £5 million; and
  - c. Level of Employers' liability insurance, which as a minimum must have an indemnity limit of £10 million.
- 4) A table showing the prices that will be charged to LeedsBID levy payers, which should vary depending on level of take-up; and
- 5) A specimen contract (or draft heads of terms if no contract is available) that would apply to customers who chose to take up the service.

## 2.2 Method Statements

The tender documents should not be lengthy or contain substantial amounts of standard material. We envisage that all method statements in total should be **no more than 25 A4 pages** in 12 point font. Method statements should be drafted carefully, so as to make them clear and concise. They should explain clearly what the bidder proposes to do, wherever possible specifying the exact inputs that the bidder will employ. In particular:

- No weight will be given to comments regarding what the bidder “**could**” or “**may**” do, only to commitments regarding what the bidder “**will**” do. We expect that the method statement document will form a schedule to the contract between the successful applicant and LeedsBID, and so our focus will be on clear commitments given by each bidder.
- No weight will be attached to generic corporate material supplied with any proposal. We will take account only of information prepared and submitted specifically to address the requirements of this invitation.

Please ensure that in preparing your proposal, you include your company name, company number, and full contact details for a key contact name.

## 2.3 Submission of proposal

Please submit your tender by e-mail to Emma Fletcher at the following address:

[emma.fletcher@eunomia.co.uk](mailto:emma.fletcher@eunomia.co.uk)

no later than 17:00 on 18<sup>th</sup> September 2017.

## 2.4 Questions

If you have any questions about the requirements to be addressed in your proposal, please contact Emma Fletcher at the e-mail address above. While looking to maintain the objectivity and consistency of the tender process, LeedsBID are keen to work with potential contractors regarding how the proposal can be improved.

## 2.5 Timetable

A timetable for the selection process is set out in the table below.

Action	Date
Publish ITT	25 August 2017
Deadline for submission of proposals	18 September 2017
Bidders advised of outcome	w/c 2 October 2017
Dialogue with preferred bidder(s)	13 October 2017
Finalisation of contract	w/c 16 October 2017
<b>Service commencement date</b>	<b>January 2018</b>

## 3.0 Specification

This specification explains the minimum service requirements that your proposal must meet in order to be compliant. Use the table in Annexe 2 to confirm that your offer meets all of the minimum requirements. You may expand on your service offer in the course of your method statements and you should explain how the service you propose to offer will deliver the aims of this procurement.

### 3.1 Collection Frequency

Your proposal **must** take account of the following service requirements:

- To accommodate clients with very limited storage space for waste:
  - Clients **must** initially be able to receive at least one refuse collection each day, including bank holidays (with the exception of Christmas Day and Boxing Day). We suggest that an early morning collection may be the most effective in meeting local needs. Additional collections (e.g. a second daily collection of refuse) would be an advantage.
  - Clients **must** be able to receive at least one recycling collection of the principal recycling stream in the bidder's proposal each working day and

on bank holidays (with the exception of Christmas Day and Boxing Day). The material stream in question might typically be mixed dry recycling or cardboard.

- Clients **must** be able to receive collections of other materials (and in particular, food waste) at intervals appropriate to the type of material and their capacity to store it.

### 3.2 Material Streams

- Your offer **must** include a residual waste collection and a comprehensive recycling and food waste service to any customer who wishes to take it up. This will include:
  - Residual waste
  - Mixed dry recyclables
  - Card
  - Food waste

In addition, your offer **may** include separate collections of:

- Additional dry recycling streams that may offer more convenient or better value services to some customers, for example:
  - Paper
  - Glass,
  - Plastics
  - Metals
- Additional materials that businesses may produce, such as:
  - Confidential shredding
  - WEEE
  - Textiles
  - Oil
  - Hazardous waste, including light bulbs
  - Clinical waste

### 3.3 Containment

- Containment must be suitable for the range of space constraints in Leeds, and include pre-pay sacks as well as a suitable range of bins.
- For the material streams that you collect, you **must** offer at least the minimum range of container options shown in the table below:

	Refuse	MDR	Glass	Food	Card	Paper
Sack	Y	Y			Y (or use tape)	Y
140 L				Y (120, 140 or 240)		
240 L	Y	Y	Y			
660 L	Y	Y				
1100 L	Y	Y			Y	

- You **may** offer additional container types that are appropriate to the material being collected, which may be an advantage to your proposal.

### 3.4 Branding and Compliance

- The service **must** be jointly branded, both in terms of vehicles and staff uniforms. Vehicles and uniforms (e.g. hi-viz tabards) must, wherever practicable, display both your logo and that of LeedsBID when collecting waste in our area. If the vehicle is used for collections in other locations, the LeedsBID branding should be removed. If you propose to utilise subcontractors or combine LeedsBID collections with an existing collection route, please explain how branding issues will be managed.
- The service offered **must** comply with any local business waste collection regulations that may be introduced (e.g. the restriction of collections to specified time bands).

### 3.5 Charges

- You **must** detail per lift prices for each container type and material stream offered and any other charges that apply. Please indicate the level of discount you are offering on your normal collection prices.
- You **must** ensure that the charges you levy to businesses for waste collection services are the only charges that you make in respect of this waste collection work. All work under the contract **must** be paid for by this mechanism, and no liability will fall upon LeedsBID.
- The service **must** only be available at the discounted price to LeedsBID levy payers, a list of which will be provided by LeedsBID at the start of the service and regularly updated as required.
  - The contractor is, however, expected to engage with businesses within the city centre that are not existing levy-payers, in order to extend the benefits of the service as widely as possible. However, should such businesses wish to receive the benefit of the discounted rates, they can

only do this by opting to become a voluntary levy payer. The contractor is required to provide information regarding this via a non-levy payer pack which will be provided by LeedsBID. LeedsBID will notify the contractor of any businesses that opt to become voluntary levy payers.

- We recognise that the savings from improved collection efficiency will increase as the number of businesses that have been signed up grows. In order to:
  - manage the contractor's risk;
  - incentivise take up; and
  - ensure that the benefits of the success of the project are shared between the contractor and Leeds businesses,

you **must** explain how the prices charged to customers will decrease as and when take-up increases. Lower prices must be passed on to existing LeedsBID customers, as well as being offered to new ones.



*We're looking for cleaner, less cluttered streets that allow business to boom*

- Any customers you currently have that are LeedsBID levy payers **must** be included within and given access to the improved prices you offer through the LeedsBID contract.
- You **must** explain the basis on which prices will change over time due to inflation or changing material values.

### 3.6 Performance

- Delivering a very high service standard is critical to the success of the project. To demonstrate your ability to provide an excellent service, your proposal **must**

explain specific methods by which you will seek to avoid missed collections, provide a reliable service and rectify any service faults.

- **Excellent customer service** should be demonstrated at all times through conduct and appearance. Your proposal **must** explain specific methods by which you will ensure that operatives maintain a clean, smart appearance, demonstrate a positive, can do attitude, and communicate clearly and with appropriate language, especially with levy payers.
- You **must** propose a set of KPIs, which will be finalised in discussion with LeedsBID in the run up to service commencement, and suggest a mechanism by which LeedsBID can hold you to meeting this performance standard.
- You **must** agree to carry radio equipment that will be supplied by LeedsBID to use for communications when collecting in the LeedsBID area.

## 4.0 Method Statements

Please show how you will meet the specification and deliver a high quality, low cost service.

### 4.1 Method Statement 1: Approach to Collection and Containment

Please describe the approach to waste collection you propose to take within the LeedsBID area. In your response, you should address the following questions:

- What vehicles will be used? Please complete the following schedule and include it in your method statement.

#### Schedule 1 - Vehicles

Vehicle	Registration Yr	Materials collected	Crew	Days Used	Dedicated or shared?
e.g. 26t RCV	2010	Residual	Driver +1	Mon-Sun	Dedicated

- Please make clear if a particular vehicle is only intended to collect a certain kind of container.
- Please indicate whether the vehicle is dedicated to serving the LeedsBID contract or will be shared with other waste collection work.
- What training will your collection crew receive, whether as a matter of course or specifically for this contract? Relevant issues would include safe working procedures, dealing with spills and customer service. Detail how you will ensure your staff have regard of the importance of the contractor's work in promoting the good reputation of LeedsBID.

- What material streams will be collected? Please confirm the details of all collection services that will be available, including refuse, using the schedule format below.

#### Schedule 2 - Material Streams

Material	Collection frequency	Containers	Destination
e.g. Food Waste	1x per day: Mon, Wed, Fri	120L, 140L, 240L	Natural World Products

Please ensure you include any non-core services such as WEEE and textiles that you propose to offer.

- Please indicate how you intend to prevent odours and vermin, especially with regards to food waste.
- Not all of these services would need to be available on day 1 of operations if there is a clear rationale for a later start (e.g. the need to develop a customer base for certain separated streams). Please indicate any services that would not be available on day 1, and when they will come on stream.

#### 4.2 Method Statement 2: Resilience

Please explain how the service will be managed so as to achieve a high level of resilience, making it reliable for customers. In particular, you should address the following:

- How will you minimise the risk of loss of availability of staff or vehicles? How will you prevent any issues regarding the availability of staff and vehicles from impacting on client service?
- How will service delivery change as the number of clients increases? How will you resource the expansion of the service?
- How will you address missed collections? You may want to consider different situations, and how missed collections will be *avoided* as well as rectified. Possible measures include ensuring drivers knock on doors when waste is not presented as expected, and posting notes through doors so that businesses are aware that a collection has been attempted.
- How would you ensure that the service could adapt if there were any significant changes that affected operations, e.g. collection time availability?

#### 4.3 Method statement 3: Environmental Impact

Please describe the environmental benefits that your proposed approach will bring. Rather than focusing on the benefits that a successful collaborative procurement may bring, please respond to the following three headings:

- How will you improve street cleanliness?
- How will you minimise vehicle movements within your proposed solution (e.g. collecting multiple materials on a single vehicle)?
- How will recycling be encouraged – for example, how will you advise and educate clients?
- What steps will you take to help clients minimise contamination in recycling?
- How will your solution minimise the environmental impact of the residual waste that remains?
- What additional environmental benefits would come from selecting your proposal?
- How will you encourage reuse as well as recycling of materials?

#### 4.4 Method statement 4: Customer Service

Please describe how you will ensure that all customers have a very high quality experience of interacting with you. In particular, you should answer the following:

- What resources will you deploy to deal with customer enquiries and where will they be based? How will this provide a solution that feels tailored to LeedsBID customers?
- What sales resources and approach will you deploy?
- What approach will you take to interacting with LeedsBID and its staff?
  - We anticipate that there will be monthly review meetings to explore how the contract is working and daily exception reporting regarding problems with the service. This daily reporting should include any issues experienced and specific hotspots for problems such as fly tipping, unauthorised waste disposal etc.)
  - Please specify the KPIs to which you would expect to be held by LeedsBID, and how these will contribute to demonstrating the economic, environmental and customer service performance of the contract. How will you ensure that LeedsBID can hold you to this performance standard?
- How will you add value, helping customers get the best value out of the service and ensuring that environmental benefits are maximised?

## 5.0 Pricing

The price at which the service can be offered to businesses is of critical importance to securing a high level of take-up. We would therefore encourage applicants to look closely at how they can offer the most competitive price for this work.

You **must** supply a set of tables and an accompanying statement explaining the prices you propose to charge clients for collection. Price will be assessed independently from

quality. In order to facilitate independent assessment, please submit your pricing tables and statement in a **separate document** from method statements 1 to 4.

We would expect you to vary your charges for different material streams and containment options. You should take account of the following advice in preparing your pricing information:

- Prices **may** be based on a charge per bin or sack lift, or you **may** take an alternative approach (e.g. charging by weight). Please ensure that you explain your pricing approach clearly.
- While a simple scale of charges has advantages for customers, you **may** vary charges to reflect additional costs you incur in delivering particular services (e.g. a second daily collection round), especially where this approach to charging incentivises service users to make more sustainable waste management choices (e.g. reducing vehicle movements by taking fewer daily collections).
- You **must** make clear any additional charges that customers might be subject to (e.g. for bin rental or waste transfer notes). You need to be completely clear regarding the basis on which such charges will be made.
- Please indicate any streams that you are offering to BID levy payers at your standard prices.
- It is recognised that due to inflation the cost of providing the service will increase over time. You **must** explain whether/how you will adjust charges over the lifetime of the contract to reflect this. We would expect that your proposed method will make reference to:
  - landfill tax, affecting residual waste only;
  - one or more published inflation indices reflecting the effect of inflation on your other costs, affecting all waste streams; and
  - whether (and how) any improvement in material incomes over the lifetime of the contract will be used to offset the effects of inflation in respect of your costs.
- It is recognised that the greatest risks for any contractor will be in the first year of the contract, when take-up is uncertain and still growing. Your pricing structure must show how the success of the service will be shared between the contractor and businesses by indicating how you will reduce the prices charged to customers to reflect your reducing unit costs as the service grows. You may do this by any reasonable method, but we suggest you:
  - indicate a percentage by which the price for a particular material stream collection will fall at particular increments (e.g. 1% every 50 customers), or
  - provide different versions of your price tables that will apply as the number of customers increases.

Please ensure that your answer addresses the following:

- Your pricing structure needs to be attractive, but sustainable under a range of levels of take-up.
- Your pricing must demonstrably encourage recycling.
- How many customers do you currently have in the LeedsBID area?

While you may wish to explore a range of possible pricing and customer options in reaching your preferred pricing approach, **ONLY ONE** set of prices (which may include different price schedules for different levels of take-up) should be submitted as part of your outline proposal.

## 6.0 Scoring

Your proposal will be assessed by LeedsBID and consultants from Eunomia. It will be scored against the following marking scheme.

Area	Points	Method
<b>Quality</b>	<b>50</b>	<b>Via Method Statements</b>
Approach to Collection and Containment	15	Quality scoring method x 3
Resilience	15	Quality scoring method x 3
Environmental Impact	10	Quality scoring method x 2
Customer Relations	10	Quality scoring method x 2
<b>Price</b>	<b>50</b>	<b>Via Price Tables</b>
Initial Price To Customers	35	Deviation from the best
Price Improvement As Service Grows	15	Deviation from the best
<b>TOTAL</b>	<b>100</b>	<b>Sum of Quality and Price</b>

### 6.1 Quality Statement Scoring

Quality method statements will be evaluated using the following set of scoring guidance, with the resulting points scores being multiplied by the appropriate number (3 or 2) to arrive at the total points awarded for that method statement.

Quality Point Scores	Evaluation Advice	
VERY GOOD	5	In the view of the evaluation team, the proposed approach is entirely appropriate in terms of method and is described sufficiently completely to clearly demonstrate that it is highly likely to fully deliver LeedsBID's requirements to a high standard.
GOOD	4	In the view of the evaluation team, the proposed approach is appropriate in terms of methods and is described sufficiently completely to demonstrate that it is likely to deliver most of LeedsBID's requirements (including all significant requirements) to a good standard.
ACCEPTABLE	3	In the view of the evaluation team, the proposed approach is largely appropriate in terms of methods and generally described sufficiently completely to demonstrate that it is likely to deliver LeedsBID's significant requirements to a largely acceptable standard. However, it includes some unsatisfactory elements or omissions that give rise to minor cause for concern in one or more areas.
POOR	2	In the view of the evaluation team, the proposed approach includes some substantial unsatisfactory elements or omissions, but is described adequately to demonstrate that it is likely to deliver some of LeedsBID's significant requirements to a largely acceptable standard, while giving rise to cause for concern in one or more significant areas.
VERY POOR	1	In the view of the evaluation team, the proposed approach is generally not appropriate in terms of method or has major omissions, or is not described adequately to demonstrate that it will deliver many of LeedsBID's significant requirements to a largely acceptable standard, giving rise to serious cause for concern.
NIL	0	Either no answer is provided or the answer completely fails to demonstrate that appropriate methods are proposed to meet LeedsBID's requirements.

## 6.2 Price Scoring

Price will be evaluated by looking at two separate components, the initial price to customers and the reduction in price offered as the service grows. Both will be given equal weighting: a low starting price is important to initial sales, while a good discount will help to incentivise businesses to act as advocates for the service to their neighbours.

Both will be evaluated using a 'deviation from the lowest bid' methodology. Full points will be awarded to the lowest price, with other bids receiving points based on their deviation from the lowest price tendered. We may adjust your prices if your approach to inflation can be expected to result in substantially higher prices in later contract years than those of your competitors.

Prices will be assessed by reference to the bidder's quoted prices for waste and recycling collection. We will test the robustness of your prices against a model set of customers. This model will produce a total price for all clients the bidder would serve. We will model both your initial price and a weighted average of your reduced prices. The bidder with the lowest price initial price will receive the full 35 marks. Each bidder with a higher total price will receive a proportion of 35 marks using the following method:

$$\frac{1}{\text{Bidder's total price} / \text{lowest total price}} \times 35 = \text{Bidder's score}$$

The same approach will be applied in relation to the reduced prices each bidder offers at higher levels of take-up. Scores will be weighted to reflect the number of customers that are required before the price comes down, so as to take account of the likelihood of the lower prices being achieved. The bidder with the lowest weighted future prices will receive the full 15 marks; each bidder with a higher total price will receive a proportion of 15 marks using the method:

$$\frac{1}{\text{Bidder's total price} / \text{lowest total price}} \times 15 = \text{Bidder's score}$$

## 7.0 Form of Contract

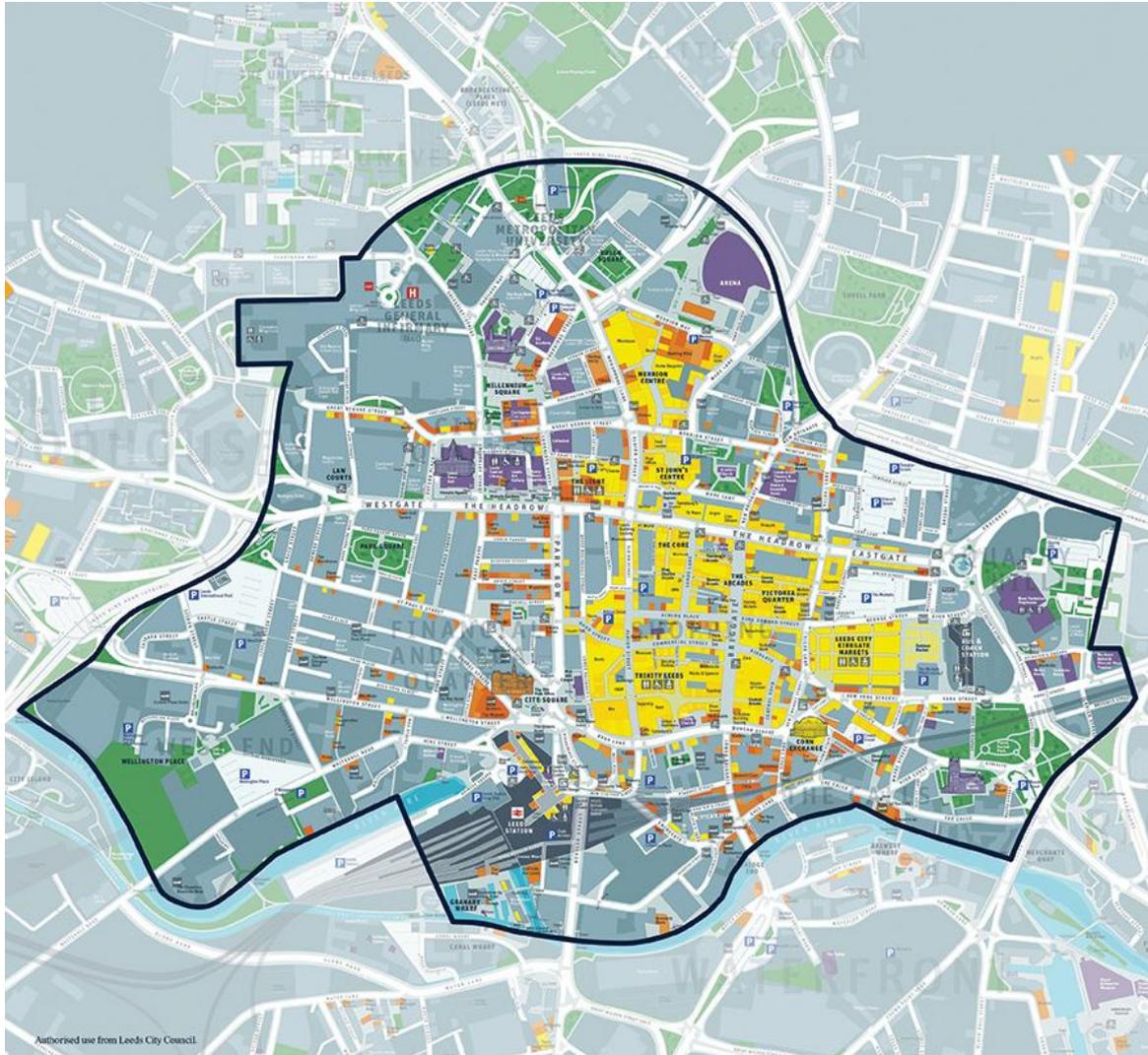
It is important that in entering into this process all bidders should understand in outline what will be contained in the contract between the successful bidder and LeedsBID. The contract between the two parties will form the relationship between them in connection with this work, and will make stipulations regarding the services that are to be offered, to whom they are to be offered, and the prices at which they are to be offered.

- The winning bidder's proposal and method statements will form part of the tender, together with an agreed set of KPIs.
- The Contract will have an initial duration of 5 years, with a break clause at the end of March 2020 (the end of LeedsBID's current Levy Term), with an option to renew if the parties so agree by the end of that period.
- A draft contract will be circulated to potential applicants in w/c 4<sup>th</sup> September.

The contractor will be responsible for the production of a contract (or perhaps a choice of contracts) that it will use between itself and service users. The contract(s) between the winning bidder and service users must be agreed by LeedsBID and may not be amended without the agreement of LeedsBID.

## Annexe 1 – LeedsBID Area

The map and street list below defines the LeedsBID area. The waste collector will be able to offer a waste service with support of LeedsBID, to all businesses in this area.



### *Photo Credits*

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## Annexe 2 – Minimum Requirements Table

Mark an 'X' in the correct column to indicate whether your proposal meets, exceeds or does not meet the minimum requirements. Provide further detail in the comments column if your proposal will exceed or will not exceed the requirement.

Specification Requirement	Does Not Meet Requirement	Meets Requirement	Exceeds Requirement	Comments (if requirement not met or exceeded)
<b>Your proposal must:</b>				
Offer one refuse collection each day.				
Offer one recycling collection of the principal recycling streams each day.				
Offer collections of other materials at appropriate intervals.				
Offer the required minimum range of container options.				
Offer joint branding for vehicles and staff uniforms.				
Offer compliance with current and future local business waste collection regulations.				
Include lift prices for each container type and material stream offered (and any other charges that apply).				
Specify the level of discount offered on normal collection prices.				
Specify how prices charged to customers will decrease				

Specification Requirement	Does Not Meet Requirement	Meets Requirement	Exceeds Requirement	Comments (if requirement not met or exceeded)
when take-up increases.				
Confirm that your current customers that are LeedsBID levy payers will be given access to the improved prices.				
Set out a clear basis for price changes during the lifetime of the contract.				
Confirm that no price liability falls upon LeedsBID.				
Specify that discounted prices are only available to LeedsBID levy payers.				
Commit to providing information about the service to businesses within the city centre that are not levy-payers.				
Explain the specific methods by which you will seek to avoid missed collections, provide a reliable service and rectify any service faults.				
Explain methods by which you will ensure excellent customer service is provided, especially in regard to staff conduct and appearance.				
Propose a set of KPIs.				

Specification Requirement	Does Not Meet Requirement	Meets Requirement	Exceeds Requirement	Comments (if requirement not met or exceeded)
Confirm your agreement to carry radio equipment supplied by LeedsBID.				
Demonstrate that you are a licensed waste carrier.				
Demonstrate that you have Public liability insurance, which as a minimum must have an indemnity limit of £5 million.				
Demonstrate that you have Employers' liability insurance, which as a minimum must have an indemnity limit of £10 million.				