

<b>Annual Tenders - Lot 22 – Waste Containers</b>	<b>12/04/2017</b>
<b>Corporate, Policy and Resources Committee – For decision</b>	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	Budgetary Control
<b>Outcome</b>	Contract Compliance & Governance
<b>Lead Officer</b>	Chief Finance Officer
<b>Cost: (If applicable)</b>	Agreed - as set out in Heads of Service budgets

## **1.1 Background**

Council have a legislative duty to comply with European and UK procurement legislation, in particular the Public Contracts Regulations 2015. A procurement exercise was completed in spring 2015, in accordance with the legislation, to award a suite of annual tenders.

This report considers the current contractual position with respect to Lot 22 – Waste Containers following a report brought before Council in January 2017 to seek approval for the extension of a suite of annual tenders.

## **1.2 Detail**

The current suite of annual tenders were revised and expanded somewhat in preparation of Causeway Coast & Glens Borough Council coming into effect on 1<sup>st</sup> April 2015. These new contracts ensured that suppliers were able to meet the requirements of the new Council area, each contract was awarded for an initial one year period but with an option to extend for two further periods of one year each.

Amongst the contracts approved by Council for extension until 31<sup>st</sup> March 2018 was Lot 22 – Waste Containers.

Extension letters were sent to existing suppliers offering them the contract extension for a further year. Most suppliers accepted the extension while others requested a price increase, capped at CPI (2.3% at the time of writing). After negotiation, all those who requested price increases accepted a final price increase at the prevailing CPI rate except the supplier for Lot 22 – Waste Containers.

The supplier requested an average price increase of 19% on full container loads of waste containers delivered to Council. This request was far in excess of the CPI increase available to Council and therefore the supplier elected not to avail of the extension as offered by Council.

As a result Council no longer have a contract directly with a supplier for the provision of waste containers and seeks approval to issue a tender for the supply of these goods. In the interim, waste containers may be ordered via the established quotation approach.

### **1.3 Recommendation**

**It is recommended** that a new tender is launched in the coming weeks to secure a new contract for waste containers.