

## APPENDIX 1

### PROCUREMENT PROCESS

1. Given the size of this contract the Councils' had to follow the requirements of the EU Procurement Regulations. The councils appointed both technical and legal advisers to provide detailed support to ensure that the best available outcome was achieved from the procurement. Following discussion between the officers of the councils', and taking into account the advice of SLR and Bevan Brittan our retained consultants, it was decided to employ the Competition with Negotiation procedure. ESPO were appointed as procurement handling agents to deliver the mechanics of the procurement.
2. The procurement process commenced on 13 November 2017 with a Market Engagement Day following the publication of a Prior Information Notice. Eight companies accepted the invitation and attended the day and received presentations and informal discussions with officers. At this stage Kier the incumbent contractor for both North Norfolk DC and KLWNBC announced their intention not to bid
3. A Contract Notice was published in the OJEU (Official Journal of the European Union) on 19<sup>th</sup> February 2019. Several companies decided not to bid at this stage with the most consistent comment being that they did not have the resources available to bid for the contract at this time. By the deadline on 17<sup>th</sup> April 2019 two completed Standard Questionnaires were received.
4. A detailed and thorough evaluation of the SQs was carried out and officers conducted a financial evaluation of each company and S 151 Officers consulted on the findings to make sure that the councils were content as to the financial stability of each participant. Officers evaluated the Health & Safety submissions of each firm. The evaluation was against weighted criteria which were published in the OJEU Contract Notice.
5. The two companies in the evaluation were invited to participate in the procurement process.
6. They were also issued with a formal Invitation to Submit Initial Tenders (ISIT). The ISIT was based on the requirements identified by the councils and were prescriptive in substantial elements as it was feasible to award the contract on these documents. The second purpose of the ISIT was to reduce the numbers going forward in to the Negotiation phase of the procurement.
7. After extending the initial deadline, at the request of the participants, the Initial Tenders were received back on 2<sup>nd</sup> August 2019. None of the submissions was

judged to be compliant. On receiving legal advice it was concluded that there was no evident requirement to reduce the number of companies involved in the process so the tenders were not evaluated. All parties agreed that the two bidders were to be retained within the process.

8. The Councils then moved on to the negotiation phase, which was broken down into three stages. In the first two stages meetings were held with each of the participants between 5<sup>th</sup> September and 19<sup>th</sup> September.
9. Each company was allocated four days over two sessions and distinct sessions were timetabled for operational and technical discussions, financial matters and legal matters. During these meetings the Initial Tenders put forward by each company were discussed. Feedback was provided on the relative merits of each submission and the innovations proposed were discussed in order to establish the practicality of a number of the ideas put forward. The bidders provided submissions in relation to the contract documentation and the allocation of risk as well as technical information on the deliverability of the project. Additional information was also provided in response to questions from bidders. This stage was concluded with a final day of negotiation with each bidder held during week commencing 7<sup>th</sup> October. This provided each bidder with detailed responses to issues raised during the negotiation.
10. The councils gave further consideration to the issues of the Invitation to Submit Final Tender (ISFT) in the light of the earlier stages of the procurement and consequences of market difficulty on vehicle provision in volatile circumstances related to Brexit.
11. Invitations to Submit Final Tenders (ISFT) were issued on 18<sup>th</sup> October and submissions are due to be received by the deadline on 18<sup>th</sup> November for all items excluding vehicle purchases and the cost of vehicles and other plant on the 3<sup>rd</sup> December.
12. The companies were each required to supply 13 method statements on how they proposed to supply various elements of the specified services. They were also required to supply tendered prices for each element of the service, including some “provisional” items for some services currently provided 3<sup>rd</sup> party contractors. Furthermore, they were required to tender prices for the introduction of a separate weekly food waste collection for domestic properties in North Norfolk and Breckland councils areas or its omission for BCKLWN. This was to ensure adequate cover for the risks associated with service change previously consulted upon by DEFRA under the proposals outlined in the Waste Strategy 2018.
13. In line with the evaluation criteria established at the start of the process, and notified to all of the bidders, 50% of the score was allocated to price and 50% to quality, which was split as shown in Appendix 2. Each of the 13 method statements were

allocated to Tier 2 Criteria and allocated weightings according to the perceived importance of each. These weightings were also notified to the participants in advance.

14. Over a two week period, each method statement was evaluated by a panel of officers, drawn from the Councils, and a score out of 10 was awarded to each participant. A consensus evaluation was conducted with SLR and independently supervised by Bevan Brittan to ensure legal compliance. Where discrepancies existed discussions took place to agree a final score. The final scores were then fed into a spreadsheet which had been constructed to adjust for both the relative weightings of each method statement and the split between the three quality elements.
15. At the same time ESPO evaluated the tendered prices and made adjustments to allow for projected growth in household numbers and for inflation in order to arrive at a whole life cost (this is the total cost for the 9 years of the initial contract term) for the contract.
16. Subsequently following submission of the Second element of the Pricing Schedule and its incorporation in to the cost evaluation scheme by ESPO meetings took place on the evaluation on the 4th and 5th December to determine the Final Evaluation and confirm the identity of the Most Economically Advantageous Tender.