

TONBRIDGE & MALLING BOROUGH COUNCIL
LOCAL ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

27 October 2008

Report of the Director of Health and Housing

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision

1 PURCHASE OF WHEELED BINS

Summary

This report considers urgent action taken to secure the provision of wheeled bins.

1.1 The Problem Explained

- 1.1.1 Over the past six months we have seen a real problem associated with the supply of wheeled bins. We need an ongoing supply of bins to provide to new properties and to replace those that have been damaged or gone missing.
- 1.1.2 The present situation, which sees a shortage of wheeled bins, has arisen following a huge demand in Eastern Europe and changes to national legislation in parts of Germany which requires the need for additional containers. This peak in demand has put severe pressure on all producers of wheeled bins. The demand has resulted in production and delivery times increasing from six weeks to over six months from time of placing order. In some cases our suppliers refused to accept new orders.
- 1.1.3 In addition to this delay we have also seen an increase in the price of a bin of up to 30 per cent. This has been due to both market demand and, more significantly, the rising cost of oil.
- 1.1.4 We have minimal storage space at our Tonbridge depot. This has meant that we normally keep minimal stocks of wheeled bins. Historically, our supply has been backed up by regular re-orders from one of three contractors via a variety of procurement methods. During May 2008 our preferred supplier advised that he would not be able to fulfil the order until late November. This delay would have meant that we would have run out of wheeled bins at some point during the summer. Other suppliers had similar problems.

1.2 What Have We Done?

- 1.2.1 Over the summer, officers in the Waste Services Team worked particularly hard and innovatively to secure supplies of bins. In order to do this, and in view of the

very difficult supply problems, we developed a new arrangement with a supplier of bins. The bins were received, just in time, and I am pleased to advise members that minimal disruption to service to our residents resulted. This has not been the case in many other local authorities around the country.

- 1.2.2 This unusual situation required fast and decisive action from officers to secure wheeled bins. This action meant that it was necessary to exempt the purchasing of the bins from the Council's Contract Procedure Rules.

1.3 Legal Implications

- 1.3.1 Having regard to the special circumstances of the case, the Chief Executive, the Monitoring Officer and the Director of Finance, gave authority for a waiver of the Council's Contracts Procedure Rules (rule 7), which usually requires a competitive process to be followed, in accordance with rule 13. The value of the orders was below the EU threshold limit and therefore complied with EU procurement rules.

1.4 Financial and Value for Money Considerations

- 1.4.1 The cost of individual bins has risen from about £14 to above £21. The additional capital cost of providing bins in 2008/09 has been offset by additional revenue income associated with the refuse contract. Ongoing costs will be monitored by officers but will clearly relate to prevailing market conditions.

1.5 Risk Assessment

- 1.5.1 Immediate action was needed to secure bin provision. The failure to provide containers, particularly to households on the green waste scheme, would have presented real problems to our residents over the summer months.

1.6 Recommendations

- 1.6.1 It is **RECOMMENDED** that Cabinet **NOTE AND ENDORSE** the approach to the procurement of wheeled bins detailed in this report.

Background papers:

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Nil

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