

Weekly Collection Support Scheme

Feedback from the Weekly Collection Support Scheme Workshops

This document sets out opportunities to save costs on waste collection bins, boxes, bags and refuse vehicles, following the supplier and council consultation workshops

To find out more please contact:

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Background

In 2012 Eric Pickles launched the **£250 million** Weekly Collection Support Scheme (WCSS) to deliver comprehensive weekly collections and spread the use of recycling reward schemes to increase recycling activity. Successful bids were announced in November 2012 and the Department for Communities and Local Government (DCLG) is funding 87 successful bids from 82 different local authorities.

A wide variety of waste collection projects are now being funded, the combined bids will help protect weekly collection of residual waste for **6 million households** and save one million tonnes of greenhouse gas emissions and recycle 400,000 tonnes of waste. What makes this project even more exiting from a procurement perspective is that local authorities will be allowed to retain any savings they make on; **bins, bags and refuse vehicles** etc. Thus providing the opportunity for local authorities to potentially further invest in their waste collection services by **making the funding go further**.

Approach

To support local authorities in **saving money** within this area the Local Government Association (LGA) in conjunction with; DCLG, Improvement and Efficiency Social Enterprise (IESE), The Central Purchasing Organisations (PRO5), London Waste and Recycling Board (LWARB) and Lincolnshire County Council (case studies) held workshops with key suppliers of these products to the local authorities and the wider public sector.

Following the **events and consultation** with the suppliers that took place during April and May 2013 the information listed now highlights key savings opportunities for local authorities based upon the suppliers' comments covering; plastic bins, polythene bags and refuse vehicles. These comments are listed to help local authorities specify their products in order to achieve the lowest overall costs without compromising the operational quality of the requirements. This information is to help local authorities **maximise their potential savings** and make their funding go further.

Polythene Bags

The following information from suppliers was discussed and captured:

- **Non-standard** and more costly bags are often purchased by local authorities as standardised bags at times don't fit the bins in situ, therefore local authority assessment of non-standardised bags to bin size may identify opportunities to do things differently and save money.
- **Production costs** depend on the size and thickness of the bag required, generally around 4 tonnes of plastic bags per time is good cost effective production run and this should be reflected in better pricing, therefore collaboration will support optimised production pricing.
- **Printing logos and information** on the polythene bags does of course incur cost, different logos, typefaces and colours can all escalate costs. Using more generic print and a single colour will reduce overall costs. Of course no logo or printing will reduce overall costs significantly.
- **Specifying** what the bag is used for and to engage in pre-tendering discussions with suppliers on use, size and thickness etc. will allow suppliers who have the skills and expertise within this area to come up with the right specification and solution and could minimise the material content used within the bag whilst at the same time maximise the bag strength. Also making sure that the bag specification is clear can help; sometimes bags are over-specified due to simply repeating previous requirements.
- **Landfill** implications also need to be considered when procuring polythene bags, with regard to compostable bags, Local Authorities should be clearer on what the bag will be used for.
- **Different sizes and colours** increase production complexity and add cost to the production process, certain bag colours, such as RED etc. can generate costs, the more standardised the bag, the better the value the Local Authorities will get. Clear, black and grey bags will generally provide optimum value.
- **Wasted polythene content** at the top of a bag due to residents having to tie up the top of the bag can often mean around one third of the bag's total capacity can be lost by securing the bags content, the local authority may give consideration to having bags with "tie up" tops, hence reducing lost bag capacity when securing the content.

Bins and Caddies

The following information from suppliers was discussed and captured:

- **5 litre caddy sizes** can prove too small for many households meaning that they have to empty them and replace their liners more frequently than if larger caddies i.e. 7 or 10 litre options are provided. Larger caddies may only need to be emptied by householders once a week. Overuse of caddy liners can prove costly in the longer term both for councils and householders (if they have to buy their own) and this may affect participation in food waste collection services from the outset or later on. Where householders have to purchase their own liners most of the liners available from retail outlets are designed for a 7 litre caddy. Using a larger liner in a small caddy represents poor value for the resident.
- **Caddy liner thickness** also needs to be considered as going thinner to around 10 or 12 microns can prove counter-productive to providing a larger caddy which may need to be emptied once a week, requiring a minimum thickness of say 14 or 16 micron. The amount of material used in producing the liner, its quality and its application all impact on costs. Compare, for example, the cost of householders using perhaps 3 x 5 litre liners per week and 1 x 7 litre liner per week.
- **Dimensions** are key when specifying liner requirements as it is important to provide the dimensions of the caddies being provided to householders. It is very important to spec the dimensions of the liner to the caddy to ensure value for money but more importantly so that the householder does not have problems with the fitting. Remember householder participation is critical to project success.
- **Full bin colours** increase overall costs, some colours such as red or blue can prove quite costly to produce and thus prove costly to procure, the cheapest bins to procure are standard grey or black colours (often with recycled content), therefore if colour identification is required, the best value for money would be to use different coloured lids, with a black or grey base for the bin, thus providing optimum value for money.
- **Metal bin axles** can also prove costly overall, solid or hollow plastic axles are now made to an appropriate quality specification (drop tested etc.), therefore plastic hollow axles can provide effective durability for the household at a much lower cost. Breaking down and investigating the costs of the raw materials will support a more comprehensive pricing system for the products. EN840-1 should generally be the required standard and bins should carry a 10 year warranty.
- **Colours;** Some bin suppliers were at a loss to understand why councils still want to buy virgin red plastic, solid axle wheeled bins. But they do, so they are supplied with them! One action from the workshops was that David Greenfield (IESE) will draw up an aide memoire for councils with

general guidelines on what constitutes value for money wheeled bins and contrast this with real orders from authorities asking for expensive bespoke products. Councillors should be presented with this information. If they choose to buy the more expensive bins (e.g. £5 per unit more), then so be it, but we will have tried hard to get the message across

- **Collaboration and purchasing together** as local authorities can help deliver significant savings, especially if local authorities can standardise and align their requirements and bulk purchase, spreading orders over a period of time if working together will help the suppliers keep up with demands.
- **The London Waste and Recycling Board** co-ordinated a joint procurement of food waste caddies and compostable caddy liners for London boroughs and invited non-London local authorities who had won WCSS funding for these items to participate. Three London boroughs and two non-London authorities participated. The procurement was carried out as a mini-competition within the ESPO framework. Approximately 250,000 caddies and 9.5 million liners were procured, representing a total order value of approximately £460,000. This represented an average saving, over the list prices in the framework of approximately 25%. Some authorities did particularly well and achieved savings of up to 68% because their small orders had been priced by the suppliers alongside the much larger orders from other authorities.
- **Price differentials can be huge.** For example, if one were to buy 10 basic 240 Litre wheeled bins from an average supplier, you would be charged £27 per bin. If you bought 50,000 you are charged at £17 per bin. If you buy more than 50,000 the price is further negotiable.
- Bin suppliers were agreed that a national procurement pipeline of bins would be very welcome.
- **Delivery of bins and caddies** etc. to the households can prove quite costly in relation to the overall cost components. Fuel and staffing costs need to be factored into delivery plans. There are only a small number of bin delivery companies in England so particularly large orders from different local authorities should have staggered delivery times. If around six months' notice can be given to suppliers, planning and costs can be greatly improved. Also consider the optimum load to go onto a vehicle, to ensure delivery vehicles going to households are fully laden in order to optimise their use.
- **Social Value requirements** in this category can prove difficult to deliver i.e. employing and training local people to deliver the bins etc. as generally delivery to households are done by groups of trained staff that move

around the country carrying out this work on behalf of the supplier. However, the staff will require local accommodation and sustenance. Therefore, local trade should get a direct benefit.

Vehicles

The following information was discussed and captured:

- **Lifecycle costs** obviously need to be considered. i.e. the operational costs of refuse vehicles - repairs and maintenance, fuel consumption, any added value elements, such as extended guarantees also whether local dealerships and outlets can be used to support local labour and trade (without being uncompetitive and maintaining transparency). Also any Social Value aspects covering apprenticeships and local skills development etc. could also be considered.
- **Aggregating the numbers** of refuse vehicles purchased via collaboration will provide a better opportunity for savings, exploring improved pricing and reverse auctions etc. Put simply, the larger the order, the cheaper the unit price. Also utilisation of framework agreements already in existence (a large order for refuse vehicles may be better going direct to market, however. Discuss with your framework providers in the first instance). This will provide greatly improved pricing opportunities if all specifications are standardised as much as possible.
- **The Euro 5 or Euro 6** engine upgrades need to be now considered and the supplier vehicle build capacity to meet demands. Euro 6 engine will increase costs by around 10% above Euro 5 and may extend lead times.
- **Adding later small items** off the manufacturing line will increase costs and create potential delays, consider pre-procurement discussions with your suppliers about added products in advance. For example, the painted cab is generally the first item to be delivered, the cab painted prior to ordering will save you money (otherwise possible adjustment and costs).
- **A clean specification is key**, remember a well-developed and complete refuse vehicle specification up front will ensure unnecessary cost additions are removed, also now many additional items can be fitted on line. Therefore consider what is needed as much as possible prior to tendering.

Next Steps

Councils should make contact with their procurement teams for advice and guidance. The next steps to consider should be as follows:

- Consider working with other councils to aggregate volumes to improve savings opportunities
- Develop a value for money specification and tender process linked larger tendered requirements
- Consideration of using a dynamic open marketplace to purchase commodities can also be explored via David Greenfield (contact details below).

To help you in obtaining further information on pipelines, available frameworks or collaboration opportunities, key contacts for this project are listed below;

Key Contacts

Procurement pipeline and collaboration opportunities

Dr David Greenfield

Director – Waste and Resources Improvement and Efficiency Social Enterprise (iESE)
 Tel: 07711930988
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Available frameworks for vehicles, bins, caddies and bags

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Available frameworks for vehicles, bins, caddies and bags

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Collation of interest and conduct collaborative procurement on a quarterly basis for the London Boroughs

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Programme overview and best practice

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