

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**15<sup>TH</sup> FEBRUARY 2011**

**Contract for the Provision of Route Optimisation Software**

<b>OPEN</b>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME:</b>	An Economic Success Shared by All
<b>CORPORATE PLAN AIM:</b>	A Well-Run and Responsive Council
<b>CABINET MEMBER:</b>	Councillor N J Desmond
<b>DIRECTOR:</b>	Director of Resources
<b>CONTACT OFFICER:</b>	David Buckland Ext. 2100 david.buckland@wyreforestdc.gov.uk
<b>APPENDICES:</b>	None

**1. PURPOSE OF REPORT**

- 1.1 The Council is leading a Procurement Exercise for Route Optimisation Software to assist with collaborative working across Worcestershire and Herefordshire.
- 1.2 The purpose of the report is to approve the evaluation criteria to enable the contract to be awarded. Given the potential value of this contract, it will be necessary to follow the EU Procurement Rules.

**2. RECOMMENDATION**

**Cabinet is asked to:-**

- 2.1 **Approve the evaluation model as detailed in paragraph 4.3.**
- 2.2 **Grant delegated authority to the Director of Resources, in consultation with the Cabinet Member for Resources, to award the Route Optimisation contract in accordance with the evaluation model set out in this report and Rule 18.2 of the Contract Procedure Rules.**

**3. BACKGROUND**

- 3.1 The Council through, its Waste Management section, operates a fleet of vehicles to undertake waste collection activities across the district.
- 3.2 The District comprises some 44,700 households with waste collections based on an alternate weekly basis with refuse collected one week and recycling the next.
- 3.3 The planning and designing of waste collection rounds is a complex process involving some key factors including:-
  - The need to balance both refuse and recycling rounds while recognising that set out rates (bins placed out for collection) for refuse are greater than recycling.

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- More bins can be serviced within an urban setting than a rural one due to less travel time incurred.
  - The number of times a vehicle has to unload at the tip will greatly affect crew productivity.
  - Areas of high waste, second bin properties, assisted collections, areas requiring weekly collections, all impact towards creating a less efficient and effective route planning process.
- 3.4 Ever increasing housing growth, landfill diversion targets and funding restrictions, together with a drive to identify more flexible options, mean that the effective modelling of waste collection rounds is more important than ever.
- 3.5 Advancements in route modelling and optimisation technology have really taken off in the last few years and we are now seeing a number of specialist companies offering IT led software solution packages to councils and private contractors operating high density collection rounds.
- 3.6 The advantages that this type of system has over conventional “desk top planning” is that:
- The System can produce an alternative routing option in a fraction of the time taken by conventional manpower planning.
  - Multiple options can be produced for analysis and consideration.
  - The technology also produces visual mapping displays to allow for a “real time” review of actual rounds. Further the system will generate actual cost estimate for each and every scenario to be considered.
- 3.7 The ability to develop and cost alternative service scenarios, such as four day operating, cross district boundary working etc, has become of paramount importance and one of the key means towards delivering real cost savings and efficiencies for the Council.
- 3.8 Council officers are already leading upon the potential purchase of this system via a consortium Procurement exercise to include both Herefordshire and Worcestershire councils together with the constituent Worcestershire district authorities.
- 3.9 Discussions are also being held at a West Midlands level, via the West Midlands West Alliance Group to gain support for regional member authorities to joint this procurement exercise.
- 3.10 In project management terms Council officers are leading the project via the West Midlands Waste Alliance Group and at a more local level via the joint Herefordshire and Worcestershire Waste Management Forum.
- 3.11 A number of leading route optimisation suppliers have already been approached and Council officers have further been in discussions with representatives of the Improvements and Efficiency West Midlands organisations regarding potential funding via their project support grant fund.

**4. KEY ISSUES**

- 4.1 The collaborative Route Optimisation Tender, led by Wyre Forest District Council and involving Bromsgrove District Council, Redditch Borough Council, Malvern Hills District Council, Worcester City Council and Worcestershire and Hereford County Councils will be subject to the full EU Tender process as the anticipated value of the total contract is in excess of the EU threshold of £156,442 (supplies and Services).
- 4.2 The award of the contract will be based on a 50/50 split in favour of over quality over price.
- 4.3 The tenders will be evaluated in accordance with the evaluation criteria set out below:

No.	Criteria	Weighting
1.	Technical Ability - <b>method statement</b> detailing how work is to be undertaken	<b>30</b>
2.	IT Considerations e.g. Compatibility & ease of installation	<b>25</b>
3.	Tailoring of proposal to the specific requirements	<b>20</b>
4.	Demonstration to End Users	<b>15</b>
5.	Support Offered Over Life of the Contract (Training) Must be included in cost.	<b>10</b>

- 4.4 As the Tender is subject to the EU restricted procedure, selection criteria such as experience and financial considerations will be evaluated during the Pre Qualification Stage (PQQ).
- 4.5 The PQQ will also determine which suppliers are selected to take part in the Tender. This will be a minimum of 5 as per EU regulations.

**5. FINANCIAL IMPLICATIONS**

- 5.1 The West Midlands Regional and Improvement Efficiency Partnership has informally agreed to fund 50% of the cost of the system. However, this is subject to a bid which will be considered in the near future
- 5.2 The total cost of this procurement for Wyre Forest District Council is estimated to be £30,000 and is dependant upon the successful bid as mentioned in 5.1. It is anticipated that during 2011/12 savings related to the implementation will be in excess of the cost of the software.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 As stated in paragraph 18.2 of the Contract Procedure Rules the Cabinet may delegate the decision to accept a tender above £150,000 to the Relevant Director where a previously reported and agreed evaluation model is used.

**7. RISK MANAGEMENT**

- 7.1 This report purely relates to the tender exercise. Any Risk Management issues will be reported at a later stage.

**8. EQUALITY IMPACT ASSESSMENT**

- 8.1 There are no Equality Impact Assessment issues relating to this report.

**9. CONCLUSION**

- 9.1 Initially the route optimisation will be used to rationalise refuse and recycling routes. It is anticipated that this will be rolled out to other areas such as Street Scene generating further efficiency savings.

**10. CONSULTEES**

- 10.1 Director of Resources.  
10.2 Cabinet Member for Resources.

**11. BACKGROUND PAPERS**

- 11.1 OJEU Notice.