

**004898 – NEPO Aggregates and Concrete**

Supplier Engagement Event – Tuesday 27September 2016

**Group Discussion 1 - Lotting Structure Proposal**

1. - We listened to what the Market had to say at our first engagement event and considered subsequent feedback to work with Local Authority Technical Officers to propose a final Lotting Structure. We asked suppliers at the engagement event to review our proposal and provide feedback on our approach?

2. - Is there anything within the proposed final Lotting Structure that the Market could not deliver?

**Group Discussion 1 - Lotting Structure Response**

1. Overview and general feedback:

We explained that the proposed geographical areas have reduced from the four identified at the first engagement event to three at the second engagement event and the reasons for the change. We explained that Northumberland County Council are no longer part of this collaboration, therefore there is no requirement for separate Northumberland geographical Lots. The three remaining geographical areas are Durham, Teesside and Tyne and Wear.

Our final proposed Lotting Structure consists of 14 Lots broken down by product and then subsequently Sub-lotted geographically to cover the three agreed delivery areas (Durham, Teesside and Tyne and Wear). This results in there being 42 permutations (14 Lots x 3 geographical areas) that the Market could bid for when the tender opportunity is published. The general feeling was that we have got the proposed Lotting Structure right but a small number of suppliers commented the size of some of the geographical areas were very large so consideration needs to be given around the number of suppliers appointed to deliver within these Lots.

Specific feedback from individual groups in relation to question 1:

* Suppliers requested a map outlining the three geographical areas: Durham. Teesside and Tyne and Wear.
* Suppliers confirmed they will be able to supply all items within any given Lot if we removed some specialist items that are only supplied from a limited market.
* Suppliers informed us that some of the products on the list were Trade names and suggested that we either ask for equivalents or remove from the Lot into a specialist Lot. They could also be procured outside of this arrangement. Councils to consider what is most appropriate.
* Concerns around the size of the Durham Lot were raised, Councils to consider delivery requirements.
* Number of Lots have been reduced and suppliers confirmed they were okay.
* Suppliers asked if Teesside is all one geographical area. Confirmation on the day was provided that it was and it would be evident when we supply the map.
* If a company is not appointed to this solution in the first instance will they be able to join the solution during the life of the contract? We confirmed that if suppliers were unsuccessful in the tender process, then there would not be another opportunity to bid until the arrangement is re-procured.
* Lot 3 – Coated Road Aggregate Collected. This Lot has all the materials contained as specified for Lot 2 delivered. Feedback from the Market was that it tended to be smaller local companies that would be used for collection purpose and the smaller companies would not stock all of the materials contained in Lot 3, therefore they would not be able to provide prices for all the products and would excluded them.
* Could the list of products be narrowed down to basic standard products that would allow local companies to be able to price all products within the Lots? – The Councils will consider where it is appropriate to rationalise products further, but reminded suppliers that this is a collaborative exercise and will need to reflect the combined requirements for all participating councils.

2. Overview and general feedback:

The overall view of the group was that the products have been broken down well and the list within the given Lots are likely to able to be supplied by multiple suppliers in the market with some exceptions as outlined below.

Specific feedback from individual groups in relation to question 2

* Add equivalents against Trade products.
* Lot 11 – concrete delivered. P400 0.5-6 should be P400 0.5. C23/40 should be C32/40.
* Lot 12 – concrete collected. P400 0.5-6 should be P400 0.5. C23/40 should be C32/40. C4 foam needs removed as this material cannot be collected.
* Lot 13 – Fine bedding material. Requires an additional item in the lot for disposal of waste fine bedding material – rate per tonne.

**Group Discussion 2 – Items Descriptions Proposal**

1. You informed us at the first event that some of the descriptions we were using were not correct and suggested we align to European standards. Also there was duplicates included. We have completed an exercise to remove duplicates and realign to Europe so can you review and let us know if you agree.
2. We are proposing that where we do not have any volumes against items we will ask you to price against one unit, example Tonne or Cubic Metre. The tendered unit price will be fixed for 12 months as we intend to run an annual call-off to refresh pricing and Ranking on the Framework Agreement for the following year. Please let us have your thoughts on this.

**Group Discussion 2 – Items Descriptions Response**

1. Overview and general feedback:

The view was that the descriptions had greatly improved, however still need some further work as a number of the descriptions are specific to a given company (Trade Name) which should be or ‘equivalent’. Also some of the items are real bespoke items where only a small market coverage is available. As a consequence of this, it was suggested to perhaps have an additional Lot for ‘Specials’ that only those small number of suppliers could bid for.

Specific feedback from individual groups in relation to question 1:

* Generally some companies would not be able to provide all products within the proposed Lots.
* Coated aggregates “Viacourt” is a proprietary material (CEMEX) – generic names for all to recognise.
* Uncoated materials such as Dolomite 75mm 100mm excludes carboniferous limestone producers therefore descriptions need to be more generic.
* Pipe Bedding is in the Sands and gravels Lot and should also be in the uncoated aggregates delivered and collected.
* Consider in each Lot categorising 1-Regular products - must be priced 2-The not so common products price if you can. BEST VALUE or remove not so common items.
* Concrete items – clarification on pure OPC or Blended Cement.
* Suppliers confirmed that having no volumes for concrete was not a problem.
* Withdraw specific one supplier items.
* Some suppliers only deal in Hardstone.

2. Overview and general feedback:

The view was that this was a reasonable way to evaluate and the group could not see any problems with this method.

Specific feedback from individual groups in relation to question 2

* Generally okay putting in a price per tonne where we do not have the volumes and accept the fact that this would be used for evaluation.
* Volumes for the concrete not that important.

**Group Discussion 3 – Concrete Volumes Proposal**

1. We have been unable to break down the volume of cubic metres of concrete for the different mixes and will only have a total for cubic metres. What do you feel the implications of this will be?

2. Under this workshop we discussed South Tyneside’s requirement for multi drops.

**Group Discussion 3 – Concrete Volumes Response**

1. Overview and general feedback:

It was generally accepted that the Market would be able to price in this way but a work around was discussed whereby we could find out what was the most commonly ordered mixes and put forward a best guess as to what percentage of the annual usage would be for those mixes. For all other more infrequent mixes they would just price against 1 cube.

Specific feedback from individual groups in relation to question 1:

* It was generally agreed that most councils will use around three or four mixes of concrete and that the volume could be broken down around these most common mixes for the evaluation of the tenders.
* Full load = 6cubic metres
* Under 6 would be part load
* Volumes would not make much difference to the pricing
* Multi drops should be removed from the tender as only 1 authority require it and only one supplier can supply. We confirmed on the day that it does not have to be removed from the collaboration, just put out as a separate Lot.

2. Overview and general feedback:

Market indicated that they would be able to price if no volumes could be indicated but suggested we look at indicative volumes for the top 3 to 4 mixes that everyone uses.

Specific feedback from individual groups in relation to question 2:

* The discussion around multi-drops concurred that it does not need to be in the general tender for Concrete. It was suggested that a separate Lot which would be an offshoot from the Concrete delivered Lot, should be put out on behalf of South Tyneside only.

**Group Discussion 4 – Standing times / KPI’s / Part Loads**

1. As we have included Standing Times within our pricing, we have introduced KPI’s to measure down time throughout the contract. Do you feel the proposed measures are appropriate?

2. We have looked at an average cost for Part Load charges using information received from current arrangements. We are intending to use these proposed charges in our procurement exercise. Does the market feel they are acceptable?

1. Overview and general feedback:

It was noted that a lot of the companies have not been charging any waiting times at all. With regards to the Key Performance Indicators (KPI’s), the majority of suppliers were happy with what was proposed.

Specific feedback from individual groups in relation to question 1:

* Some companies will review charges
* Some companies not charge
* Industry Standard £10 per ton not carried for coated and uncoated
* Waiting time at £60 fairly standard.
* KPI’s – Suppliers suggested we might want to look at a KPI for the number of times the first Ranked supplier could not supply. They felt this should be measured.
* Will there also be NEPO KPI’s as with other Frameworks (and Framework manager meetings). It was confirmed on the day that this solution would align to the regional protocols but the contract management meetings would be carried out by the lead authority (Newcastle City Council) rather than the NEPO Hub.

2. Overview and general feedback:

While some of the Market do not charge for part loads, we took the pragmatic approach that we would take an average of the prices that we had gained from the local authorities who had that information.

Specific feedback from individual groups in relation to question 2:

* Concrete – part load charge not required as pricing schedule is in 0.5cu.m increments.
* Concrete – Environmental charge – should specify that this is included in the supply rate to avoid confusion.
* Coated Roadstone – requires part load charge.