

Award of contract 83081 1st Call for Competition Household Waste Site Recycling Dynamic Purchasing System (DPS) Lots 1 to 7 to Associated Waste Management Ltd and to Timberpak Ltd.

Date: 15th April 2024

Report of: Waste Management Business Officer

Report to: Chief Officer Environmental Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- A procurement process has been conducted to establish a Dynamic Purchasing System (DPS) for a range of materials collected at the Council's Household Waste Recycling Centres (HWRCs). The DPS is for a duration of 12 years with individual Call Off contracts within that period.
- The first call for competition under the DPS, for a duration of four years (1st April 2024 – 31st March 2028), has been opened up to all the suppliers appointed onto the DPS and the Call Off tender process now concluded.
- The evaluation was conducted on a price quality separator approach. All suppliers met the minimum quality criteria. Associated Waste Management Ltd. and Timberpak Ltd. provided the cheapest options to the Council for the materials and services under the DPS.
- The Chief Officer for Environmental Services is recommended to approve the award of Call Off contracts to these organisations.

Recommendations

- a) The Chief Officer for Environmental Services is recommended to note the content of this report and approve the award of the following contracts to Associated Waste Management Ltd. and Timberpak Ltd. for a duration of 4 years from 1st April 2024 until 31st March 2028, the estimated value of the contracts is £5.5m

Lot N°	Lot Description	Contractor Recommended to be Appointed	Delivery Site	Tonnage
1	General Waste not containing POPs (Persistent Organic Pollutants)	Associated Waste Management Ltd.	Cross Green/Stourton	25388t
2	General Waste containing POPs	Associated Waste Management Ltd.	Gildersome	5235t
3	POPs Waste	Associated Waste Management Ltd.	Gildersome	3000t
4	Timber	Timberpak Ltd.	Cross Green	15550t
5	Inerts	Associated Waste Management Ltd.	Cross Green	15887t
6	Plasterboard and Gypsum	Associated Waste Management Ltd.	Cross Green	508t
7	Artic Haulage	Associated Waste Management Ltd.	N/A	

What is this report about?

- 1 A procurement process has been conducted to establish a 12 year DPS to deal with a range of waste streams collected by LCC at the HWRCs. The materials are separated into lots and include; general waste not containing POPs, general waste containing POPs, POPs waste, timber, inerts, plasterboard and artic haulage.
- 2 The DPS establishes a pool of approved suppliers who have been vetted through a Selection Questionnaire that will then be invited to take part in further competition exercises. Under this 1st call for competition 6 suppliers were invited to participate and all lots were tendered using the price separator approach. 4 suppliers submitted bids and all passed the quality stage of evaluation.
- 3 For the pricing evaluation Timberpak Ltd. provided the cheapest tender for Lot 4 Timber and Associated Waste Management Ltd. provided the cheapest tender for the remaining lots.
- 4 Confidential Appendix 1 details the evaluation process including tonnage allocations based on budget projections for the current year.
- 5 The appropriate contracting of key waste services supports the delivery of sustainable infrastructure under the Best Council Plan with the specific aim of reducing waste and increasing recycling.
- 6 This procurement also indirectly supports a number of other priorities. Appropriate waste services help to avoid anti-social behaviour and environmental crime issues which allows safe, strong communities and friendly city priorities to succeed.

What impact will this proposal have?

- 7 The overall impact of this proposal is to deliver effective and efficient front-line services through appropriately contracted and managed waste provisions. Although many stakeholders will not feel a change through the implementation of this proposal if it weren't adopted the impacts would be detrimental to the services seen at the Councils Household Waste Sites.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 8 This contract is to maintain Leeds City Councils network of destinations to treat a range of waste streams arising at the Councils 8 HWRCs. The emphasis in procurements of this kind, and for these waste streams, is to maximise adherence to the waste hierarchy where re-use and recycling is selected as the preferred method ahead of other disposal or treatment technologies. This demonstrates efforts made to combat the climate emergency situation which has been declared in Leeds and contributes towards the Council's aspiration of becoming a carbon neutral city by 2030.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 9 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community, and as such no consultations have taken place.

What are the resource implications?

- 10 As a continuation contract for existing services the costs of the DPS have been adequately budgeted for over the duration of the Call Off contract. Timber, inerts and plasterboard all saw small price increases from the current rates the Council pays but residual waste and POPs waste were both a reduction in price which because of the high tonnages for these lots results in an overall saving for the Council of £447K against existing rates.
- 11 The completion of the Call Off exercise and the subsequent contract management of the awarded contracts will be undertaken by the Waste Management Contracts Team, and the requirements of this have been identified in the Waste Management Procurement Strategy.

What are the key risks and how are they being managed?

- 12 If the recommendation to award as described within this report is not approved then the Council will risk being in a position where no formal contractual arrangements are in place for dealing with a number of waste and recycle streams collected by the Council.
- 13 Throughout the procurement a risk register has been developed and those risks have been adequately managed. The risk register will continue to be maintained until the conclusion of the procurement but also in terms of the ongoing management of the contract once awarded. Any high or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.
- 14 It is imperative that secure outlets are available for the materials collected by the Council. The risk of not having those outlets in place is that any available capacity may be taken up by other organisations and/or prices and terms may be varied at short notice and without the consideration of the Council as a client.
- 15 Conclusion of this procurement will provide a range of legally binding call-off contracts with the organisations on the DPS and the terms of those call-off contracts will protect the Council

against adverse performance issues, site availability issues, health and safety concerns as well as protecting the rates agreed.

What are the legal implications?

- 16 Officers from Procurement and Commercial Services have been consulted throughout this tendering exercise and as such all legislative requirements have been adhered to and an open and transparent process has been followed.
- 17 Note that by virtue of Access to Information Rules 10.4.(3) The Appendices attached to this report are restricted as confidential. This is on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.
- 18 It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information, as disclosure may prejudice the outcome of the procurement process, whilst the details of the tender proposals within the appendices also contain the financial details/business affairs of individual companies.
- 19 This is a significant operational decision as a direct result of a previously taken key decision ref D56756 taken on 18/9/23 and therefore not open to call-in.

Options, timescales and measuring success

What other options were considered?

- 20 There are limited options available to the Council as these are key waste services that need appropriate contracts in place, it is not an option to run the services without contracts as the risk to Council both operationally and financially would be too high. The waste streams could be separated out and tendered individually but the opportunity to tender just once for multiple contracts is appealing to suppliers and is an efficient use of Council procurement resource.

How will success be measured?

- 21 Success will be measure as part of the contract management process, primarily utilising the performance related incentive mechanism of the contract.

What is the timetable and who will be responsible for implementation?

- 22 The start date for the contracts awarded under the 1st Call for Competition will be 1st April 2024

Appendices

- Confidential Appendix 1 detailing the evaluation process.

Background papers

- [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk)