

Report of: Waste Management Contracts Manager

Report to: Director of Environment and Housing

Date: 10th April 2014

Subject: Competitive tender process for recycling and composting framework

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The existing contract which deals with garden waste and a range of other wastes and recyclates collected by the service is due to expire in December 2014. The most notable element of this contract will be garden wastes collected at the kerbside of Leeds domestic properties and the HWSS's together with residual waste's, and inert wastes from the HWSS's.
2. For the majority of these waste streams there is no provision to extend the contract and as such in order to comply with Contract Procedure Rule (CPR) 3.1.8 Waste Management Contracts team require director approval to commence a formal tender process.
3. The proposed tender will introduce competition and it will be advertised in OJEU in accordance with Public Procurement Regulations and the Councils own CPR's.
4. The outcome will be the award of a framework contract where it is expected that a number of organisations will be appointed and the tonnages available will be allocated according to the most cost effective and operationally viable model.

Recommendations

5. The Director of Environment and Housing is recommended to note the content of this report and approve the commencement of a competitive tender process which will subsequently lead to the award of a framework contract to deal with a range of waste and recycle streams collected by the Council.

1 Purpose of this report

- 1.1 To obtain approval from the Director for Environment and Housing to commence a procurement exercise whereby a formal tender process will be undertaken. The procurement will be a competitive exercise using the restricted procedure and due to the value it will be advertised in OJEU in accordance with Public Procurement Regulations and the council's own Contract Procedure Rules (CPR's). In particular this report ensures that the requirement of CPR 3.1.8 is adhered to.
- 1.2 The contract will provide service supplier(s) able to accept and treat/dispose of a range of wastes and recyclates which the Authority collects.

2 Background information

- 2.1 In December 2010 a framework Contract (Contract Ref: LCC8818) was awarded to deal with a range of waste streams collected by the Authority. That contract is set to expire in December 2014, this framework will provide contractual capacity for a number of these waste streams moving forward.

3 Main issues

- 3.1 New corporate contract procedure rules were developed in October 2013 and one new feature of these rules is that Director Approval is required prior to the commencement of any formal tender process.
- 3.2 Waste Management Services are seeking approval from the director to enter into a formal procurement to appoint organisations to a framework contract to deal with the following materials split into lots:-
- § Garden wastes arising from the Council's domestic kerbside collections service, HWSS's, transfer station and the Council's Parks and Countryside Service.
 - § Residual wastes arising from the Council's household waste sorting sites (HWSS) This lot may from time to time also include street litter arisings and fly tipped materials.
 - § Timber and miscellaneous wood and wood based materials arising from the Council's HWSS's and transfer station.
 - § Inert wastes including soil and rubble arising from the Council's HWSS's and transfer station.
 - § Plasterboard and gypsum arising from the Council's HWSS's and transfer station.
 - § Offensive waste arising from the Council's domestic kerbside clinical waste collection service. For clarity this is those wastes whose collection and disposal is not subject to special requirements in order to prevent

infection (for example dressings, plaster casts, linen, disposable clothing and diapers)

§ Car, van and commercial vehicle tyres arising from the Council's HWSS's and transfer station.

§ Asbestos arising from the Council's transfer station.

3.3 Enquiries have been made internally through the Corporate Procurement Team to establish if any suitable existing contracts may be capable of handling any of the above Lots. Whilst none were identified other departments, for example Parks & Countryside, have expressed an interest in using this contract once established.

3.4 The contract is envisaged to provide an arrangement where a number of service providers may be appointed to the framework for each Lot. There is no guarantee of any tonnages being delivered to all the organisations and the allocation of tonnages will be determined by a model which takes into account the gate fees offered, the performance in terms of landfill diversion and the locality of the sites offered and the subsequent cost of transport to them.

3.5 The above arrangement worked well in the previous contract and it provided a good range of sites spread across and around the city to improve operational efficiencies.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 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.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 It is not considered that the content of this report or the recommendations made will have any impact on any specific individual or group in terms of equality, diversity, cohesion and integration.

4.3 Council policies and City Priorities

4.3.1 It is paramount that procurements in the authority are undertaken with a view to ensuring openness, transparency and fairness. This procurement will be undertaken through a formal competitive exercise and the award will be based on an evaluation which achieves a cost/quality balance which subsequently offers best value to the authority. All appropriate governance arrangements will be followed throughout.

4.3.2 The issues being discussed within this report, and the contract we are looking to award, will all have specific implications on our environmental performance, and the aspirations stated within our environmental policy and Best Council Plan 2013-17, where we are aiming for reduced waste to landfill and increased

recycling. The following are all relevant contributors to meeting the needs of this Council policy:

- § Preventing pollution and minimising our environmental impact
- § Taking steps to reduce carbon emissions
- § Improving our resilience to current and future climate change.
- § Reducing landfill tax costs

4.4 Resources and value for money

- 4.4.1 By undertaking a formal tender process as described in this report an element of competitiveness is introduced in the market place and this helps drive down prices.
- 4.4.2 The evaluation criteria used for selecting service providers will be developed in conjunction with the financial officer supporting Waste Management Services with a view to ensuring we obtain value for money.
- 4.4.3 The criteria in terms of price/quality split and the actual quality requirements will be presented to the Chief Officer for Waste Management for approval prior to tender.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Officers from Legal and Democratic Services will be consulted throughout this tendering exercise and as such all legislative requirements surrounding EU Public Procurements will be adhered to. The contract will be advertised in the OJEU as is required of a contract of this value and an open and transparent process will be followed.
- 4.5.2 The decision will be open for inspection through the Delegated Decision Process having been included on the Council's Forward Plan of Key Decisions as is required by the Council constitution.
- 4.5.3 The Decision is not exempt from Call-in.

4.6 Risk Management

- 4.6.1 If the recommendation to tender 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.
- 4.6.2 The existing formal arrangement will expire in December and the terms and conditions currently applicable would be at risk of change without notice. The Council would also be at risk of the quality of service being reduced and being without the protection and means of redress that a formalised arrangement provides.

- 4.6.3 Throughout the procurement a risk register will be developed and any risks which are high or which escalate at any time will be brought to the attention of the Chief Officer for Waste Management.

5 Conclusions

- 5.1 The commencement of a procurement for the waste streams detailed within this report will ensure the Council complies with EU Public Procurement Regulations, the Councils own CPR's. The requirement to seek competition in these circumstances is at the core of these rules.
- 5.2 A tender process will introduce competition which in turn should drive down prices and ensure that value for money is being achieved.
- 5.3 The award of the contract will provide the Council with formal terms and conditions which provides the legal framework protecting service levels and prices etc.

6 Recommendations

- 6.1 The Director of Environment and Housing is recommended to note the content of this report and approve the commencement of a competitive tender process which will subsequently lead to the award of a framework contract to deal with a range of waste and recycle streams collected by the Council.

7 Background documents¹

- 7.1 In compiling this report no additional background papers were used.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.