

**Report of: Contracts Officer – Waste Management**

**Report to: Chief Officer Waste Management**

**Date: 28<sup>th</sup> Aug 2014**

**Subject: Request to waive CPR 9.1 and award a new contract with the existing supplier for glass collection and recycling.**

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The formal contract for the collection and recycling of glass expires on 31<sup>st</sup> Aug 2014.
2. The need for an interim arrangement had been previously identified in resource mapping done between the Contracts team and the Procurement Unit.
3. The incumbent provider, Berrymans, have delivered a good level of service to the Council for a number of years and are happy to continue to do so. There are no operational issues with retaining current arrangements.
4. The procurement for the new glass contract, post this interim arrangement, will begin immediately.

### Recommendations

1. The Chief Officer Waste Management is recommended to note the contents of this report, approve the waiver of CPR 9.1, and enter into a new 10 month contract with LCC's existing Glass provider under existing contract arrangements.

## **1. Purpose of this report**

- 1.1 The report seeks to give the Chief Officer Waste Management sufficient information to approve the waiver of CPR 9.1 and permit an interim contract to be awarded to the current glass collection and recycling contractor without seeking competition.

## **2 Background information**

- 2.2 An open procurement was conducted and a contract awarded to Berrymans in 2012 for the provision of a comprehensive glass contract that includes; bottle bank glass collection service, bulk glass collection service and LOLER (lifting operations and lifting equipment regulation) inspections. The contract was for a period of 2 years, expiring on 31<sup>st</sup> Aug 2014.
- 2.3 The 440 bottle banks across the Leeds area provide a key service as glass is not included in kerbside collections. In 2013/14 the contract collected 8267 tonnes.
- 2.4 The contract has been performed well with any minor contract related issues being quickly resolved.
- 2.5 Resource mapping work has been done in conjunction with the procurement section to prioritise the procurement plan and best make use of the people and time available. One of the outcomes of this work was that an interim glass contract would be put in place to provide time for a longer term procurement. The resource map was signed off by Chief Officer Waste Management.

## **3 Main issues**

- 3.1 The current glass collection and recycling contract will expire on 31<sup>st</sup> Aug 2014 and an interim arrangement is necessary to allow the procurement of a new contract.
- 3.2 A contract is needed to provide the Council with the security of a committed price and a service standard to deliver against.
- 3.3 Berrymans have been consulted regarding an interim arrangement and are pleased to continue providing the service, under the same contract terms.

Berrymans service costs were used to calculate the duration of the interim arrangement; 10 months keeps the value of the contract below the EU threshold for service contracts (at which point CPRs cannot be waived) and provides sufficient time for full procurement to be conducted.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 It is not considered that the recommendations made in this report 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 a significant impact on issues of equality and diversity or cohesion and integration.

## **4.3 Council policies and City Priorities**

- 4.3.1 The City's Best Council Plan 2013 - 2017 sets out a key objective to deal with waste effectively. The waiver of CPR 9.1 and award of a contract to the existing supplier will both help to deal with waste effectively, and achieve efficiency in the use of resource and the delivery of the overall 2014 Contracts plan.
- 4.3.2 It is paramount that procurements and contracts in the Council are undertaken with a view to ensuring openness, transparency and fairness. The publication of this report will serve as a visible record of the actions undertaken and the reasons for these.
- 4.3.3 Recycling continues to be a high priority for Environment & Housing, the Council's Waste Strategy sets a target of 55% of household waste recycled by 2016. The continued recycling of glass will contribute to this figure.

## **4.4 Resources and value for money**

- 4.4.1 The Principal Finance Manager for Environmental Services has been consulted and considers that by continuing the existing agreement the service is protecting budgeted levels of income during the period of re-procurement for the next contract.
- 4.4.2 The new contract can demonstrate value for money by holding the prices that won a competitive procurement exercise.

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This decision is not subject to call-in as it not a key decision. The decision is a significant operation decision and will be published by the Council. There are no grounds for treating the contents of this report as exempt from publication or confidential with the Council's Access to Information Rules.

## **4.6 Risk Management**

- 4.6.2 The main risks of awarding this contract without conducting a procurement exercise are that the Council is not getting the best price, the contractor does not perform to a satisfactory standard and that the award is challenged by a competitor.
- 4.6.3 There is a risk that by not going to the market income could be lost; however, this is considered extremely small as the procurement time is estimated at 10 months and it is considered unlikely any viable short term arrangements with a new contractor could be made.

- 4.6.4 The operational risk of the contractor not performing is mitigated by the ongoing long-term relationship Berrymans have with LCC, which they will want to protect during the procurement of the next contract.
- 4.6.5 The risk of a potential challenge from a competitor is reduced by undertaking an open competitive procurement for the full contract, which Berrymans peers would have the opportunity to be involved in.

## **5 Conclusions**

- 5.1 Waiving CPR 9.1 will allow the award of an essential contract to the existing provider, thereby ensuring continuity of service and value for money. It is recommended that the proposed contact period be 10 Months (commencing 1/9/14, concluding 30/6/15).

## **6 Recommendations**

- 6.1 The Chief Officer Waste Management is recommended to note the contents of this report, approve the waiver of CPR 9.1, and enter into a new contract with Berrymans under the conditions referenced in this report.

## **7 Background documents<sup>1</sup>**

- 7.1 N/A

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<sup>1</sup> 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.