

Report of: Waste Management Business Officer

Report to: Director of Environment and Housing

Date: 4th December 2014

Subject: Competitive tender process 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: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The existing contract which deals with the collection and recycling of glass is due to expire in July 2015.
2. The contract covers material from bottle banks, glass from high rise collections (which is bulked up at the Kirkstall Road Recycling Site) and also the inspections of the banks under LOLER (Lifting Operations and Lifting Equipment Regulations).
3. There is no provision to extend the existing 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.
4. The proposed tender will introduce competition and it will be conducted in accordance with Public Procurement Regulations and the Councils own CPR's.
5. The outcome will be the award of a contract to a single supplier to provide a comprehensive glass collection and recycling service.

Recommendations

6. 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 contract to deal with the collection and recycling of glass in Leeds.

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 an open procedure. The process will follow 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 a comprehensive glass service for the collection and recycling of glass from bottle banks and high rise complexes in the Leeds area. It will also cover the inspections of bottle banks under LOLER.

2 Background information

- 2.1** In September 2012 a contract (Ref: LCC10708) was awarded to deal with glass from bottle banks, high rise collections and LOLER inspections. At that time the glass market was going through a period of change so the contract was set at 2 years to reflect the Councils need to be able to respond to any changes that impact on LCC.
- 2.2** That contract expired in August 2014. As part of resource mapping work done in conjunction with the procurement team it was identified that an interim contract would be put in place to allow a new formal procurement to be undertaken. This contract runs until July 2015.

3 Main issues

- 3.1** Corporate contract procedure rules were revised in October 2013 and a 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 a single contractor to be responsible for:
- Bottle bank collections – glass material deposited by residents at one of the 370 banks around the Leeds district.
 - Kirkstall road collections – glass from high rise buildings in Leeds that are serviced by the LCC 'defra' vehicle.
 - Recycling of the glass that arises from these sources.
 - Bank inspections under LOLER.
- 3.3** The contract is envisaged to provide an arrangement where a single contractor provides all these services under a single contract. This arrangement has worked well in the last 2 previous contracts because it allows contractors to exploit economies of scale in terms of materials and efficiencies in collections and inspections.

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 with residents or Councillors.

4.1.2 A soft market test exercise has been conducted to consult with glass processors and gain feedback on how the specifics in the contract should be addressed.

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.

4.2.2 An equality, diversion, cohesion and integration screening form has been completed and comments made in relation to how the contract will impact how our services will be provided.

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 with regard to our environmental performance and the aspirations stated within our environmental policy where we are aiming for improved environmental protection. 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.

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 cost or increase income.

4.4.2 The evaluation criteria used for selecting a provider will be developed in conjunction with the financial officer supporting Waste Management Services with a view to ensuring value for money.

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

4.5.3 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.

4.6 Risk Management

- 4.6.4 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 significant recycle stream.
- 4.6.5 The existing formal arrangement will expire in July 2015 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.
- 4.6.6 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 as detailed within this report will ensure the Council complies with EU Public Procurement Regulations and the Council's 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 cost or increase income ensuring that value for money is being achieved.
- 5.3 The award of the contract will provide the Council with formal terms and conditions, developed by Legal and Democratic Services, 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 contract to deal with the collection and recycling of glass.

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.