

Report of: Waste Management Contracts Manager

Report to: Chief Officer Waste Management

Date: 5th June 2015

Subject: Competitive tender process for a street sweepings recycling contract

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 council do not currently have a formal contract in place with an organisation for the recycling of street sweeping waste. However, an informal arrangement has been in place since the previous contract expired in 2012, and will continue to operate until a new contract is awarded following a competitive tender exercise. It is considered that a competitive procurement exercise will ensure that the council maintain a competitive market price for the recycling of street sweeping waste.
2. As there is no formal contract in place, and as such, and in order to comply with the councils own Contract Procedure Rule (CPR) 3.1.8, the Waste Management Contracts team require Chief Officer approval to commence a formal tender process.
3. The outcome of the tender exercise will be a contract for the recycling of street sweeping waste from Kirkstall Road bulk transfer station and from a number of skips located on Council owned sites across Leeds.

Recommendations

4. The Chief Officer Waste Management 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, for the recycling of street sweeping waste from Kirkstall Road bulk transfer station and from a number of skips located on Council owned sites across Leeds.

5. Purpose of this report

- 1.1 To obtain approval from the Chief Officer Waste to commence a procurement exercise whereby a formal tender process will be undertaken. The procurement will be a competitive exercise using the open procedure. In particular this report ensures that the requirement of CPR 3.1.8 is adhered to.
- 1.2 The contract will put in place a formal arrangement for the recycling of street sweeping waste from the council's bulking facility at Kirkstall Road and from a number of skips located on Council owned sites across Leeds.

2 Background information

- 2.1 Street sweeping waste is collected through a service operated by Localities using street sweeper vehicles to collect the material that accumulates on the highways and gulleys within the Leeds boundary. The waste material is a mixture of grit, soil and organic matter, which due to its potentially hazardous nature requires specialist treatment.
- 2.2 Once collected the material is tipped at either the Council's bulking facility at Evanston Avenue, Kirkstall Road or at one of a number of skips that are located across Leeds on Council owned sites. The skips are located to provide additional tipping locations for Locality street cleansing teams to reduce travel time between collection and disposal, creating service efficiencies.
- 2.3 The Council has an existing informal arrangement with Yorwaste for the collection and recycling of street sweeping from Evanston Avenue, Kirkstall Road which was established through a competitive procurement exercise carried out in 2007.
- 2.4 Following the expiry of the contract in 2012, the informal arrangement with Yorwaste has continued to operate due there being a limited market place for the service and due there being changes to the permitted treatment processes associated with street sweeping waste. Due to this uncertainty, it was decided that a tender exercise would be delayed until the market stabilised to ensure best value could be achieved.
- 2.5 The market has now stabilised with regulatory changes having been implemented and enforced by the Environment Agency through modifications to environmental permits. The markets for this material have also developed significantly during this period.
- 2.6 Following the withdrawal of the Council's chain lift skip vehicle that serviced the street sweeping skips, a contract variation was made to the Council's Trade Waste Collection and Disposal Contract to include the collection and haulage of the skips to the council's bulking facility at Evanston Avenue, Kirkstall Road.
- 2.7 This skip service arrangement with AWM was established in March 2015 and has been arranged to remain in place up until the Council's procurement of a formal street sweepings contract is concluded, after which the skip collection and haulage element may be transferred into this new contract.

3 Main issues

- 3.1 Corporate contract procedure rules state that Chief Officer approval is required prior to the commencement of any formal tender process.

- 3.2 Waste Management Services are therefore seeking approval from the Chief Officer Waste Management to enter into a formal procurement to award a contract for the recycling of street sweeping waste from Kirkstall Road bulk transfer station and from a number of skips located on Council owned sites across Leeds..
- 3.3 A market sounding exercise has been undertaken through which it has been established that there is an appetite within the market for carrying out the services required. It is also now widely considered that the impacts of the legislative changes surrounding the treatment of street sweepings have stabilised without significant increases in gate fees.
- 3.4 The new contract will include a licence element, which will protect the council from the contractor claiming occupation rights for any skips located on council owned sites. The service element of the contract will still be specified within a contract specification to ensure contractor performance is maintained.

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. Legal, financial, and procurement teams, along with locality management, will however be consulted with throughout the procurement process.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, diversion, cohesion and integration screening form has been completed which has identified that the recommendations made within the report could affect how the Council's services are provided.
- 4.2.2 In considering the impact it has been identified that where there is scope, the contract documentation will be drafted with a view to bringing about benefits in terms of raising the profile of the Council, improving the lives of people in Leeds, and community cohesion.

4.3 Council policies and Best Council Plan

- 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 have 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.
- 4.3.3 The recommended action will also support the delivery of the Best Council Plan objective of 'Dealing effectively with the city's waste' by;

- Minimising the amount of waste going to landfill;
- Increasing the volume of waste being recycled/composted;
- Developing and promoting sustainable waste management.

4.4 Resources and value for money

- 4.4.1 Whilst the actual contract value will not be realised until the tender exercise has been completed, the formal tender exercise is anticipated to result in an annual contract spend that exceeds the key decision threshold of £250k per annum.
- 4.4.2 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.
- 4.4.3 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.
- 4.4.4 The criteria in terms of price/quality split and the actual quality requirements will be presented to the Chief Officer 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.
- 4.5.2 The Decision is subject to Call-in.
- 4.5.3 The Chief Officer will be notified of the actual value prior to the award of the contract, with the decision to award being a Significant Operational Decision that is not subject to call in.

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 the recycling of street sweeping waste as defined in the report.
- 4.6.5 There are no formal contractual arrangements in place to provide this service and as such the terms and conditions currently applicable to each of the current providers are at risk of change without notice. The Council would also remain 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 exercise for the services detailed within this report will ensure the waste management services comply with 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 Chief Officer Waste Management 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 for the recycling of street sweeping waste from Kirkstall Road bulk transfer station and from a number of skips located on Council owned sites across Leeds.

7 Background documents

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