

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

**Report to: Chief Officer Waste Management**

**Date: 30<sup>th</sup> July 2015**

**Subject: Request to waive CPR 8.1/8.2 and enter into a new contract for the treatment of tyres and asbestos.**

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: 10.4 (3) Appendix number: Appendix 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Summary of main issues

The council do not currently have a formal contract in place for the treatment of asbestos or tyres, with both of these waste types being managed through informal arrangements.

Tyres are collected at the 8 household waste recycling centres across Leeds, and asbestos is collected at the council's bulk loading facility at Evanston Avenue, Kirkstall Road for disposal.

A procurement exercise for a Recycling and Composting Framework Contract, awarded in March 2014, included both of these materials as individual 'lots' within the framework arrangement. A single tender submission was received for each of these two 'lots', which due to their poor quality were excluded from the evaluation. Consequently these 'lots' were not awarded even though the prices submitted were considered competitive.

This procurement exercise demonstrated that there is a limited market for tyres and asbestos and as such it is considered that subject to the satisfactory improvement of the submissions received for the framework arrangement through negotiation with the provider by Waste Management officers, that this would deliver value for money.

To let a contract without seeking further competition, Chief Officer authorisation must be given to waive CPR 8.1 and 8.2.

## **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 8.1 and 8.2 to enter into a contract with Biffa for the treatment of tyres and asbestos without seeking further competition.
- 1.2 The Chief Officer should be satisfied that the recommended action ultimately delivers the most suitable service but also offers value for money for the council.

## **2 Background information**

- 2.1 The council do not have a formal contract in place for the treatment of tyres or asbestos, with both of these wastes being managed through informal arrangements.
- 2.2 Tyres are collected at the 8 household waste recycling centres across Leeds. Asbestos is collected at the council's bulk loading facility at Evanston Avenue, Kirkstall Road for disposal.
- 2.3 Whilst the informal arrangements that the council has used for these materials have performed well, there is a need to provide the council with the security of a formal contract. It is also acknowledged that the current informal arrangements do not now provide value for money for these materials and this has been further demonstrated by the bids we received for the service in a competitive procurement as described below. Details are included in Confidential Appendix A.
- 2.4 A formal competitive procurement exercise was undertaken in 2014 to provide the Council with a Recycling and Composting Framework Contract that incorporates a range of waste materials. The framework arrangement is separated into a number of individual 'lot's, with two of those 'lots' being for the treatment of tyres and asbestos.
- 2.5 Only one tender submission was received for each of these two 'lots', with Biffa submitting the tender for each. Due to the poor quality of the submissions received from Biffa, they did not meet the minimum quality requirements that were set out within the evaluation criteria and were subsequently disqualified from the evaluation. Subsequently these two 'lots' were not awarded.

## **3 Main issues**

- 3.6 It is not considered that a new procurement exercise for either tyres or asbestos would attract sufficient interest to achieve value for money for the Council. The incumbents for both waste streams have indicated they would not be prepared to take part in a procurement exercise because the LCC process is too onerous<sup>1</sup>.
- 3.7 The site being proposed by Biffa for asbestos disposal is the same site that LCC are using currently under the informal arrangement. Hazardous landfill cells are the principle outlet for asbestos and they are limited in the area.

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<sup>1</sup> This feedback has gone to the Procurement Team as part of a documentation review.

- 3.8 To determine whether alternate disposal arrangements exist within the council for these materials, officers from Waste Management contacted the council's asbestos unit to understand their disposal arrangements for the material. This confirmed that the asbestos unit make use of Waste Management's collection arrangements at Kirkstall Road.
- 3.9 Fleet Services have also been consulted regarding the disposal of tyres. The arrangement they have in place is based on the supplier removing old tyres when new ones are fitted. The contract has been written to be restricted to Fleet services only so cannot be opened up to include Waste Management. The rationale behind this was to concentrate on the specialist vehicles fleet deal with, such as refuse collection vehicles, as opposed to the car tyres that are generated at the recycling sites.
- 3.10 It is therefore proposed that the submissions received from Biffa as part of their tender for the Recycling and Composting Framework Contract are accepted as a separate contract arrangement for the treatment of tyres and asbestos.
- 3.11 Biffa have been informally contacted regarding the council's intentions, who have advised that they would be happy to provide the service they tendered. They are aware that they need to provide further details to substantiate their proposals so that Waste Management Officers are comfortable with the outlet that they proposed. Biffa are also aware that their outlets will also be subject to the Council's due diligence process prior to a contract being awarded.
- 3.12 Subject to the approval of Waste Management Officers of Biffa's proposals the contract will be awarded for a contract set to expire in line with the Recycling and Composting Framework Contract in March 2019.

## **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 with residents or Councillors.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.2 An Equality, Diversity, Cohesion and Integration Screening Form has been completed and is attached to this report. It is not considered that the recommendations made will have any impact on a specific individual or group.

### **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 8.1 and 8.2 and the award of a contract will both help to deal with waste effectively, and achieve efficiency in the use of resource and the delivery of the overall Waste Management 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 the Council, with a Waste Strategy target of 55% of household waste recycled by 2016. The continued recycling of tyres will contribute to achieving this aim.

4.4 Resources and value for money

4.4.1 It is deemed that value for money will be delivered through the contract as the prices will be based on the rates submitted within a recent competitive procurement process in which Biffa were part of.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This decision is not subject to call-in as it is not a key decision. The decision is a significant operational 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 in terms of the Council's Access to Information Rules.

4.6 Risk Management

4.6.1 There is a risk of legal challenge in awarding a contract directly to Biffa. However, this is mitigated by lessons learned from previous procurements which would indicate the market does not exist for an alternative supplier to deliver the service.

4.6.2 If the recommended course of action were not followed there would be a risk to the Council through the lack of security of not having a contract for the materials.

4.6.3 A full risk register will be drawn up and maintained throughout the course of the contract. High or escalating risks would be reported at Chief Officer level.

## **5 Conclusions**

5.1 Waiving CPR 8.1 and 8.2 will allow the Council to enter into a new contract to ensure that value for money can be secured through the prices obtained through a previous competitive procurement exercise, with the procurement indicating that there is a lack of interest for these materials within the market.

## **6 Recommendations**

7 The Chief Officer Waste Management is recommended to note the contents of this report, approve the waiver of CPR 8.1 and 8.2, and authorise entering into a new contract for the treatment of tyres and asbestos subject to the satisfactory approval by Waste Management officers of the proposed outlets. The contract will expire in line with the council's Recycling and Composting framework agreement in March 2019.

## **8 Background documents<sup>2</sup>**

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<sup>2</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

8.1 N/A

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published works.