

Report of: Head of Facility Management

Report to: Chief Officer, Civic Enterprise Leeds

Date: 27th June 2016

Subject: To approve the extension of the contracts for the supply of trade waste and recycling services

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 current framework contract is for the removal and recycling of trade waste generated by council services, office and public buildings. The trade waste framework contract provides waste disposal and recycling services to all Council properties (non domestic) for the purpose of managing Council commercial waste, miscellaneous WEEE, and confidential waste destruction services.
2. The contract was awarded on the 1st July 2013 after a procurement exercise and was awarded for three years with an option to extend for a further two x 12 month extensions. (Appendix I)
3. The waste framework contract is made up of a number of 'Lots' that have been split into waste streams consisting of wheeled bin services and corporate skips services (Lot 1 and 2), which was awarded to Associated Waste Management. Lot 3 was for the destruction of confidential waste which was awarded to M.J.McCarthy Ltd and Lot 4 is for the disposal of WEEE items and this was awarded to Yorwaste Ltd.
4. The current contract is due to come to an end on 30th June 2016 and this report is to approval the extension of the existing arrangements for a further year as per the terms of the contract.
5. There have not been any performance or quality concerns with the current service providers and therefore it is planned to extend the existing arrangements for a further year after its expiry date.

6. This contract is important to ensure the Council conforms to current environmental legislation, and manages its own waste in a sustainable and legal manner.

Recommendations

- 1 The Chief Officer of Civic Enterprise Leeds is recommended to extend the existing contracts for the supply of waste collection and treatment services, to ensure continuation of commercial waste and recycling services to Council public properties, offices and depots for a period of one year from 30th June 2016 to 29th June 2017.

2 Purpose of this report

- 2.1 The purpose of this report is to seek approval to extend the existing arrangements for the supply of waste collection and treatment services for a further 12 months past the expiry date 30th June 2016, as per the terms of the contract.
- 2.2 This is a high value contract and it is estimated at approximately £800k per annum and therefore the decision to extend the existing contract is a Key Decision.

3 Background information

- 3.1 The Council trade waste contract provides waste disposal and recycling services to all Council properties (non domestic) for the purpose of managing Council commercial waste.
- 3.2 In the Spring of 2013 a dedicated project team with procurement officers ran a restricted procurement exercise to put in place a framework contract consisting of 'Lots' covering the main waste streams that needed to be put in place and they consisted of:-
 - Lot 1. A wheeled bin service for standard office waste including recycling.
 - Lot 2. A corporate level skip waste service including recycling.
 - Lot 3. A confidential waste destruction services.
 - Lot 4. A disposal service of miscellaneous WEEE items.
- 3.3 The contract was procured in full compliance with the Public Contracts Regulations 2006, and has been tendered on a 30% quality – 70% price basis.
- 3.4 The award for Lot 1 & Lot 2 for wheeled bin services and corporate skips services respectively was awarded to Associated Waste Management Ltd (AWM). Award of Lot 3 for the destruction of confidential waste was awarded to M.J. McCarthy Ltd a Leeds based contractor and Lot 4 which is for the disposal of miscellaneous WEEE was awarded to Yorwaste Ltd.
- 3.5 This corporate level framework contract was initially managed through the Environment Policy Team and budgeted as part of general building services across Council properties but has now transferred to Facilities Management within Civic Enterprise Leeds.
- 3.6 There are no performance or quality concerns with the current service providers. The contract is important to ensure the Council conforms to current environmental legislations and manages its own waste in a sustainable and legal manner.
- 3.7 It is also important to maintain a confidential waste destruction service to deal with sensitive documents requiring disposal in line with the Council's responsibilities under the Data Protection Act.

- 3.8 The contract also provides a disposal service of miscellaneous WEEE items such as electrical appliances and fluorescent tubes that are segregated from mixed residual waste as part of our Duty of Care requirements.
- 3.9 The above framework contract is due to expire on 30th June 2016, and the intention is to extend the contract for a further 12 months as per the terms of the contract. Once this agreement is in place the present contract will run until 30th June 2017.

4 Main issues

- 4.1 This trade waste framework contract awards will ensure continuity of our trade waste and recycling services to Council properties (non domestic) and depots.
- 4.2 The estimated spend by Leeds City Council on the trade waste services is around £800,000 per annum and this contract helps to ensure that legal compliance with waste and environmental regulations, compliance with obligations under the data protection act, and pushes the management of Council commercial waste up the waste hierarchy, as defined in the Waste regulations (England & Wales) 2011.
- 4.3 The contract team are satisfied with this trade waste frame contract that has been in place since 1st July 2013 and there are no performance or quality concerns with the current service providers.
- 4.4 The contract is important to ensure the Council conforms to current environmental legislations and manages its own waste in a sustainable and legal manner.

5 Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1 Relevant stakeholders from across the Council have were engaged at the beginning of the contract tender process, and during the development of the specification documentation as required, for area specific levels of expertise.
- 5.1.2 The project team has representation from Waste & Recycling Services, Environment Policy & Climate Change, Information & Knowledge Management, Facilities Management, and Corporate Procurement.
- 5.1.3 Service users have been engaged regularly as part of the ongoing contract management, as elements of the contracts performance are down to staff that is responsible for separating waste for collection by both contractors.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 The above considerations in this section are embedded into the procurement procedure, and are considered as a matter of course where appropriate at service delivery.

5.3 Council policies and City Priorities

5.3.2 The trade waste contract is essential for sustainable waste management of the Council's own commercial waste, and related legal compliance. The way the Council deals with its waste is an exemplar to businesses within the Leeds City region.

5.3.1 The contract serves to cover the Council's obligations under Section 45 of the Environmental Protection Act, and also the Data Protection Act.

5.3.2 Contract performance is reported into the Council's environmental management system and annual environment statement.

5.4 Resources and value for money

5.4.1 The contract is funded across the Council at a service user level, as part of standard building services, with a budget appropriate to cover the estimated service costs.

5.4.2 The contract was tendered at 70:30 costs to quality in order to ensure best value from the market. Benchmarking the new contract costs against the previous contract demonstrate a saving on Lot 3 for confidential waste destruction, and a small increase of about 2% for Lot 1 & Lot 2. AWM under the Lot 5 option offered a 2% reduction across the submitted pricing schedules for both Lot 1 and Lot 2 on being awarded both Lot 1 and Lot 2 together.

5.4.3 The basis of the contract as a pay by weight contract enables the Council to reduce its waste costs by maximising recycling, and improving waste management across the Council. Additionally rebates have been written into the pricing to further increase benefits from improved internal management.

5.4.4 Landfill diversion technologies utilised by awarded contractors further reduce cost of waste disposal by avoiding landfill tax charges.

5.5 Legal Implications, Access to Information and Call In

5.5.5 This report does not contain any exempt or confidential information.

5.5.1 The extension of the contracts under the trade waste contract will be subject to Call in as it is a Key Decision due to the value of the contract.

5.6 Risk Management

- 5.6.1 This contract enables the continuation of trade waste services and losing control of the Council's commercial waste will leave the Council open to prosecution by the Environment Agency and any associated costs.
- 5.6.2 The contract will be managed and monitored through Facilities Management, and Information & Knowledge Management to ensure benefits of service are maximised, and compliance is maintained. The contractors performance will continue to be measured over the life of the contract as detailed within the service specification.

6 Conclusions

- 6.7 This report seeks approval from the Chief Commercial Services Officer to extend the contracts for the supply of waste collection and treatment services, and ensure continuation of commercial waste and recycling services to Council properties and depots from 1st July 2013.
- 6.8 The purpose of this report is to seek approval to extend the existing arrangements for the supply of waste collection and treatment services for a further 12 months past the expiry date 30th June 2016, as per the terms of the contract.
- 6.9 This is a high value contract and it is estimated at approximately £800k per annum and therefore the decision to extend the existing contract is a Key Decision.

7 Recommendations

- 8 The Chief Officer of Civic Enterprise Leeds approves the extension of the existing contracts for the supply of waste collection and treatment services, to ensure continuation of commercial waste and recycling services to Council public properties, offices and depots for a period of one year from 30th June 2016 to 29th June 2017.

9 Background documents¹

Appendix I – DDN and Award Report

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.