


### DELEGATED DECISION NOTIFICATION

This form is used both to give notice of an officer's intention to make a Key decision and to record any delegated decision which has been taken. The decision set out on this form therefore reflects the decision that it is intended will be made, or that has been made. Although set out in the past tense a decision for which notice is being given may be subject to amendment or withdrawal.

LEAD DIRECTOR <sup>i</sup> :	Director of Resources		
SUBJECT <sup>ii</sup> :	Award of contracts for the supply of trade waste and recycling services		
DECISION DETAILS <sup>iii</sup> :	The Chief Commercial Services Officer approved the award of the contracts for the supply of waste collection and treatment services, to ensure continuation of commercial waste and recycling services to Council properties and depots from 1 <sup>st</sup> July 2013.		
TYPE OF DECISION:	<input type="checkbox"/> Council function (not subject to call-in) <input checked="" type="checkbox"/> Executive decision (Key) Is the decision eligible for call-in? <sup>iv</sup> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is the decision exempt from call-in? <sup>v</sup> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Executive decision (Significant Operational <sup>vi</sup> – not subject to call-in)		
NOTICE <sup>vii</sup> / CALL-IN (KEY DECISIONS ONLY):	Date the decision was published in the List of Forthcoming Key Decisions: 29.10.12 If not on the List of Forthcoming Key Decisions for at least 28 clear days, the reason why it would be impracticable to delay the decision:- <a href="#">Click here to enter text.</a>  If exempt from call-in, the reason why call-in would prejudice the interests of the Council or the public:- <a href="#">Click here to enter text.</a>		
AFFECTED WARDS:	<a href="#">Click here to enter text.</a>		
DETAILS OF CONSULTATION UNDERTAKEN:	Executive Member	Date consulted: <a href="#">Click here to enter a date.</a>	Interest disclosed? <sup>viii</sup> <input type="checkbox"/> Yes (Date of dispensation: <a href="#">Click here to enter a date.</a> ) <input type="checkbox"/> No

	Ward Councillor	Date consulted: Click here to enter a date.	Interest disclosed? <input type="checkbox"/> Yes (Date of dispensation: Click here to enter a date.) <input type="checkbox"/> No
	Others <sup>ix</sup> (please specify: Click here to enter text.)	Date consulted: Click here to enter a date.	Interest disclosed? <input type="checkbox"/> Yes (Date of dispensation: Click here to enter a date.) <input type="checkbox"/> No
CAPITAL FUNDING APPROVAL REQUIRED:	Funding approval required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Injection approval required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If yes to either, you must complete the Financial Development Funding Approval box below)		
FINANCIAL DEVELOPMENT FUNDING APPROVAL / INJECTION (CAPITAL SCHEMES ONLY):	(Name: Click here to enter text.)	Scheme Number: Click here to enter text. CSR Number: Click here to enter text. Date: Click here to enter a date.	
CONTACT PERSON:	Sam Grimwood	Telephone number <sup>x</sup> : 01132476954	
DECISION MAKER / AUTHORISED SIGNATORY <sup>xi</sup> :		Date: 24/05/13	

**Report of Waste & Resources Officer**

**Report to Chief Officer Commercial Services**

**Date: 24<sup>th</sup> May 2013**

**Subject: To approve the award of 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. This report is regarding the award of contracts for the 4 individual Lots, that as a whole make up the trade waste and recycling contract. 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, miscellaneous WEEE, and confidential waste destruction services.
2. The main Lots (Lot 1 & Lot 2) for wheeled bin services, and corporate skips services are to be awarded to the current contractor for these services, Associated waste Management. There are no performance or quality concerns with the current service provider. A new contractor is to be awarded Lot 3 for confidential waste destruction, and the new Lot 4 for miscellaneous WEEE disposal.
3. The contract is important to ensure the Council conforms with current environmental legislation, and manages its own waste in a sustainable and legal manner.

## **Recommendations**

4. The Chief Commercial Services Officer is recommended to approve the award of contracts for the supply of trade waste and recycling services across the 4 Lots tendered under the trade waste contract.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to award the contracts for the supply of waste collection and treatment services, to ensure continuation of commercial waste and recycling services to Council properties and depots from 1<sup>st</sup> July 2013.
- 1.2 This is a High Value Procurement, and is deemed a significant operational decision as the value of the decision is estimated at £800,000 per annum.

## **2 Background information**

- 2.1 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. The contract provides a wheeled bin service to Council premises for standard waste and recycling services, a corporate level skip waste service, and confidential waste destruction services. Confidential waste is contracted to Yorwaste, and all other services are contracted to Associated Waste Management (AWM). This corporate level contract is currently managed through the Environment Policy Team and budgeted as part of general building services across Council properties.
- 2.2 There are no performance or quality concerns with the current service providers. The contract is important to ensure the Council conforms with current environmental legislations and manages its own waste in a sustainable and legal manner. 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. The contract scope has been increased with the addition of a new Lot (Lot 4) to provide for disposal of miscellaneous WEEE items that should be segregated from mixed residual waste as part of our Duty of Care requirements.
- 2.3 The above existing contracts are now due to expire on 30<sup>th</sup> June 2013, and the new contracts are to be awarded on a 3 year basis with two potential 12 month extension periods. Management of the new contracts is to be transferred to CPM within Facilities Management.
- 2.4 A dedicated project team has worked with procurement officers to run a restricted procurement exercise in order to select appropriate contractors on a competitive tender basis.
- 2.5 The award for Lot 1 & Lot 2 for wheeled bin services and corporate skips services respectively has been awarded to the existing contractor providing these services currently, Associated waste Management Ltd (AWM). Award to the pre-existing contractor will effectively eliminate any requirement for mobilisation time. Lot 3 for the destruction of confidential waste has been awarded to M.J. McCarthy Ltd a Leeds based contractor. The mobilisation of this smaller Lot will be assisted, by the fact that all lockable containers in place within our buildings will be utilised by the new contractor eliminating the need to replace them all. Lot 4 for disposal of

miscellaneous WEEE is a new Lot, and can be phased in as required. This Lot 4 was awarded to Yorwaste Ltd.

- 2.6 Without finite analysis there is a slight decrease in cost for the New Lot 3 contract, and an estimated 4% increase for Lot 1 and 2 services. However AWM have offered a 2% decrease across pricing schedule for the award of both Lots 1 & 2 together, so the increase across these Lots is levelled to an estimated 2%.
- 2.7 TUPE considerations have been identified by both current contractors. As AWM are retaining their current contracts there should be no requirement for TUPE for Lot 1 and Lot 2. Yorwaste will be losing Lot 3 for confidential waste destruction, but taking on Lot 4 for WEEE items. There is potential for TUPE on Lot 3 still, unless the award of Lot 4 to Yorwaste will negate this.

### **3 Main issues**

- 3.1 Following consideration by the trade waste contract tender team, this report seeks further approval for the Chief Commercial Services Officer to award the trade waste contract Lots 1, 2, 3, & 4, to the above named contractors for commencement of service on 1<sup>st</sup> July 2013.
- 3.2 The new trade waste contract awards will ensure continuity and improvement of trade waste and recycling services to Council properties (non domestic) and depots, and are the result of a restricted, competitive procurement exercise published in OJEU as contract notice 353991-2012.
- 3.3 The estimated spend by Leeds City Council on the trade waste services will be around £800,000 per annum, ensuring legal compliance with waste and environmental regulations, compliance with obligations under the data protection act, and pushing management of Council commercial waste up the waste hierarchy, as defined in the Waste regulations (England & Wales) 2011.
- 3.4 The tender project team are satisfied that the trade waste contract has been procured in full compliance with the Public Contracts Regulations 2006, and has been tendered on a 30% quality – 70% price basis.
- 3.5 AWM failed to fill out the pricing schedule for Lot 2 completely by not providing a cost for a single asterisked item (required for pricing evaluation). The only other contractor for this Lot was already out for failing on a number of other requirements. The pricing schedule for this Lot is extensive, and it was considered that a competent pricing evaluation could still be completed on AWM's Lot 2 submission, even with the missing price, deemed to be insignificant. The project team considered that awarding Lot 2 to AWM on this basis (as the only remaining tenderer) would extensively save Council officer time from having to retender.
- 3.6 Clarifications were required on Lot 3 due to confusion over the shred size that had actually been priced for, and a number of caveats within the pricing schedule added by a proportion of the tenderers. It is considered in hindsight that the Council has requested a cut size of 4mm as an essential requirement, which is more secure than the industry standard. Contractors were asked to confirm that prices submitted were for 4mm cross cut. The winning contractor can provide a

4mm and 15mm cut allowing for potential expansion of destruction options as a service improvement measure in the future.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Relevant stakeholders from across the Council have been 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.
- 4.1.2 The project team has representation from Waste & Recycling Services, Environment Policy & Climate Change, Information & Knowledge Management, Facilities Management, and Corporate Procurement.
- 4.1.3 Service users have been engaged regularly as part of the ongoing contract management, as elements of the contract performance are down to staff who are responsible for separating waste for collection by both contractors.

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

- 4.2.1 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.

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

- 4.3.2 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.
- 4.3.1 The contract serves to cover the Council's obligations under Section 45 of the Environmental Protection Act, and also the Data Protection Act.
- 4.3.2 Contract performance is reported into the Council's environmental management system, and annual environment statement.

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

- 4.4.1 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.
- 4.4.2 The contract was tendered at 70:30 cost 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.

- 4.4.3 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.
- 4.4.4 Landfill diversion technologies utilised by awarded contractors further reduce cost of waste disposal by avoiding landfill tax charges.

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

- 4.5.5 This report does not contain any exempt or confidential information.
- 4.5.1 The award of contracts under the trade waste contract will be subject to Call in. This will run alongside the Alcatel period.

#### **4.6 Risk Management**

- 4.6.1 This contract award is required to enable continuation of trade waste services, and allow time for any change over of contractors. Losing control of Council commercial waste will leave the Council open to prosecution by the Environment Agency, and associated clean up costs.
- 4.6.2 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 be measured over the life of the contract as detailed within the service specification.

### **5 Conclusions**

- 5.7 This report seeks approval from the Chief Commercial Services Officer to award 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 1<sup>st</sup> July 2013.

### **6 Recommendations**

- 6.1 The Chief Commercial Services Officer is recommended to approve the award of contracts for the supply of trade waste and recycling services across the 4 Lots tendered under the trade waste contract.

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

None

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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.



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<sup>i</sup> The Leader of the Council may also make executive decisions and should be specified as the Lead Director where appropriate.

<sup>ii</sup> A brief title should be inserted here. If the decision is Key and has appeared on the List of Forthcoming Key Decisions, the title of the decision should be the same as that used in the List.

<sup>iii</sup> Brief details of the decision should be inserted. This note must set out the substance of the decision, options considered and the reason for deciding on the chosen option, although care must be taken not to disclose any confidential or exempt information.

<sup>iv</sup> The decision will not be eligible for call-in if it has already been subject to call-in i.e. considered by the relevant Scrutiny Board. This includes a decision which has been modified by the decision maker following a recommendation by a Scrutiny Board after call-in of the earlier decision.

<sup>v</sup> If the decision is exempt from call-in a reason must be provided in the 'Notice / Call-In' box and in the report. The call-in period expires at 5pm on the 5<sup>th</sup> working day after publication. Scrutiny Support will notify decision makers of matters called-in no later than 12 noon on the 6<sup>th</sup> working day.

<sup>vi</sup> If the decision would have been a Key decision but for an exception set out in Article 13.2.1, please refer to the connected Key decision in the decision details (either by the title or the reference number).

<sup>vii</sup> All Key decisions should appear on the List of Forthcoming Key Decisions for 28 clear days before the decision can be taken. If 28 clear days' notice has not been provided, a reason must be provided here.

<sup>viii</sup> No Member having a disclosable pecuniary interest or officer having an interest in any matter (whether pecuniary or otherwise required to be declared) should take a decision in relation to that matter. Other interests of a non-disqualifying nature should be recorded here. Any dispensation in place in relation to the matter should also be recorded here.

<sup>ix</sup> This may include other elected Members, officers, stakeholders and the local community.

<sup>x</sup> Please insert a complete telephone number whether land line or mobile, rather than an extension number so that you can be contacted from outside the Council.

<sup>xi</sup> The signatory must be duly authorised by the Lead Director to make a decision in accordance with the relevant sub-delegation scheme. It is not acceptable for the signature to be 'pp' for the authorised signatory. For Key decisions only, the date of the authorised signature signifies that, at the time, the officer was content that the decision should be taken. However, should representations be received following public availability of reports the signatory will consider the effect which such representations should have on the final decision.