

**Report of:** Support Officer (Waste Contracts)

**Report to:** Chief Officer Waste Management

**Date:** 12<sup>th</sup> May 2016

**Subject:** Waste chemical collection, treatment and disposal 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 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: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Summary of main issues

1. The council provides a service for the acceptance of chemicals at each of the 8 Household Waste Sorting Sites (HWSS), however there is a need for an external arrangement for the appropriate collection, treatment and disposal.
2. There has been a number of performance issues associated with the existing service provider, which has impacted on service provision at the HWSS's. There is no formal contract arrangement in place and as such there are few controls for improving service performance.
3. Given the service issues that have been experienced there is a need to put in place an arrangement in order to give the council the security of a formal contract.
4. Officers from waste management have been in discussion with their counterparts at Bradford City Council, who carry out an in-house chemicals collection and disposal service. This service was provided to Leeds City Council up until 2011.

5. It has been identified that there is scope for Bradford City Council to extend their collection service to Leeds, and having benchmarked their prices against the current provider and the market would provide value for money.
6. To let a contract without seeking further competition, Chief Officer authorisation must be given to waive CPR 8.1 and 8.2.

### **Recommendations**

The Chief Officer Waste Management is recommended to note the contents of this report and, subject to the satisfactory approval by officers of the proposed outlets, approve the waiver of CPR's 8.1 and 8.2 which will enable LCC to enter into a contract without seeking further competition and let a contract to Bradford City Council for the collection, treatment and disposal of chemicals for a period of 5 years subject to a contract review meeting each year.

## **1 Purpose of this report**

- 1.1 This report aims to provide sufficient information to the Chief Officer Waste Management to waive CPR 8.1 and 8.2 and establish an agreement with Bradford City Council for the collection and disposal of Chemicals from our 8 Household Waste Sorting Sites.

## **2 Background information**

- 2.1 Approximately 19 tonnes of household chemicals are collected at our 8 Household Waste Sorting Sites (HWSS) across Leeds each year. The chemicals are deposited by residents in specialised containers, the contents of which are collected and then are either treated or disposed of by the current provider.
- 2.2 The Council does not currently have a formal contract for the treatment of waste chemicals and an ongoing arrangement has been in place with the current service provider since 2011 through a quotation exercise.
- 2.3 Due to no contract being in place there has been a requirement to establish a formal contract arrangement that not only protects the council but also provides value for money.

## **3 Main issues**

### **Service issues**

- 3.1 HWSS staff have reported on numerous occasions that the current provider has failed to make collections despite them being prearranged and agreed by both parties. Due to the hazardous nature of substances involved, this has led to numerous instances of sites being left with potentially dangerous amounts of hazardous chemicals on site due to the build-up on the sites.
- 3.2 Throughout the periods of missed collections council officers have repeatedly been in contact with the current service provider's senior management to try and resolve collection issues. However there has been no continued commitment to providing an adequate resolution within reasonable timescales despite numerous assurances from the current service provider on each occasion.
- 3.3 Based upon the poor quality of service received from the current service provider, the council need the security of a formal contract to ensure that the issues being experienced do not reoccur.

### **Procurement and Benchmarking**

- 3.4 Whilst compiling documents for a tender process officers from waste management contacted neighbouring local authorities to determine whether there was scope for collaborating on a tender exercise for the treatment and disposal of chemicals.

- 3.5 Through this contact was made with Bradford City Council, who due to having in-house expertise operates their own service for the collection and disposal of chemicals. Up until 2011 this service was provided to Leeds City Council.
- 3.6 Discussions have taken place with Bradford CC about the opportunity of this service again being provided to Leeds. Having reviewed the volume of chemical's collected at LCC HWSS's, Bradford CC have confirmed that they have sufficient capacity available within their service to extend their collections into Leeds.
- 3.7 A benchmarking quotation exercise has been carried out to determine whether the collection and disposal prices quoted by Bradford would achieve value for money. Prices were received from a number of companies and applied to historic collections data in order to provide a representative comparison. Details of the prices received are provided in confidential Appendix 1.

## **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**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening form has been completed, 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 Best Council plan sets out a key objective to become a more efficient and enterprising council by having 'effective collaboration with partners, including other public sector bodies, the third sector and the Combined Authority'. Establishing an agreement with Bradford City Council would help contribute to delivering this Best Council Plan objective and deal with waste effectively.

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

- 4.4.1 Officers have conducted a benchmarking exercise to ensure the council achieves value for money (contained in Appendix 1).
- 4.4.2 Officers from Bradford City Council have indicated they have sufficient spare collection capacity within their chemical collection service to effectively deal with the volumes of chemicals at LCC HWSS's.
- 4.4.3 A further advantage of using Bradford City Council is that they can maintain low disposal/treatment costs for chemicals through being flexible with the use of offtake companies. Having the expertise to use the right company for the right chemical helps secure value for money. In addition to this Bradford can achieve economies of scale by bulking up certain types of chemicals from multiple sites. Including the chemicals collected from the sites in Leeds may assist in achieving further gains.

## **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.

**Note that by virtue of Access to Information Rules 10.4. (3) The Appendices attached to this report are restricted as confidential. This is on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.**

**It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information, as disclosure may prejudice the outcome of the procurement process, whilst the details of the tender proposals within the appendices also contain the financial details/business affairs of individual companies.**

## **4.6 Risk management**

- 4.6.1 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.
- 4.6.2 Meetings will be held on a regular basis as part of ongoing contract management throughout the life of the contract.
- 4.6.3 Officers will audit the outlets proposed for the treatment/disposal of chemicals to ensure they comply with relevant statutory environmental guidance and legislation.

## **5 Conclusions**

- 5.1 Due to the ongoing issues with the current service provider there is a need to establish a formal contract to ensure that the council has controls to manage service performance. However, given the discussions that officers have had with their counterparts at Bradford City Council and the benchmarking that has been carried out, it is not considered that a procurement exercise for chemicals would be appropriate.
- 5.2 Waiving of CPR's 8.1 and 8.2 will allow the council to award an essential contract to a provider without seeking competition, thereby ensuring continuity of service and value for money.
- 5.3 Following discussions held with officers and Bradford City Council it was agreed the contract should be on a rolling basis for the duration of 5 years with a contract review meeting each year that will include a review of the prices proposed for the following year to ensure the service remains value for money.

**6. Recommendations**

- 6.1 The Chief Officer Waste Management is recommended to note the contents of this report and, subject to the satisfactory approval by officers of the proposed outlets, approve the waiver of CPR's 8.1 and 8.2 which will enable LCC to enter into a contract without seeking further competition and let a contract to Bradford City Council for the collection, treatment and disposal of chemicals for a period of 5 years subject to a contract review meeting each year.

**7 Background documents**

- 7.1 N/A