

Report of: Business Officer (Waste Management Contracts)

Report to: Deputy Chief Officer Waste Management

Date: 02 October 2018

Subject: Recycling and Composting Framework Procurement

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 checked="" type="checkbox"/> Yes	<input 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

SUMMARY OF MAIN ISSUES

1. An existing framework that deals with a range of wastes and recycles collected by the Waste Management service is due to expire at the end of March 2019. The framework comprises, amongst others, some key waste streams including garden waste from both the kerbside and HWSSs (Household Waste Sorting Sites) and residual waste from the HWSS.
2. There are no extension options under the framework which means to ensure all the wastes included are appropriately contracted a replacement framework is required. In order to comply with Contract Procedure Rule (CPR) 3.1.6 Chief Officer approval is needed to commence the procurement.
3. The framework tender will introduce competition to ensure the Council is achieving Best Value. It will be conducted in accordance with Public Procurement Regulations and the Council's own governance procedures under CPRs. Further to that the tender will be undertaken showing consideration to the broad range of suppliers who may be interested in being involved in the framework.
4. The outcome will be the award of a framework contract with a number of organisations appointed across the waste streams and the tonnages available allocated according to the most cost effective and operationally viable model for the service.

RECOMMENDATIONS

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 framework contract to deal with a range of waste and recycle streams collected by the Council.

PURPOSE OF THIS REPORT

- 1.1 The report aims to provide the Deputy Chief Officer with sufficient information to endorse the proposed approach in procuring a replacement Recycling and Composting Framework. The report also ensures compliance with CPRs by formally authorising the commencement of the procurement exercise.

2 BACKGROUND INFORMATION

- 2.1 In 2015 the current Recycling and Composting framework was established to deal with a range of waste streams collected by the Authority. It was let in lots whereby each material stream had separate prices and quality submissions. The Lots are:

Lot 1 – Garden Waste arising from the Council’s domestic kerbside collections service, HWSSs, transfer station and Parks and Countryside Service.

Lot 2 – Residual Waste arising from the Council’s HWSS. This lot also includes a small element of street litter and fly tipped materials.

Lot 3 – Timber and miscellaneous wood and wood based materials arising from the HWSS and transfer station.

Lot 4 – Inert Waste including soil and rubble arising from the HWSSs and transfer station.

Lot 5 – Plasterboard and other gypsum based products arising from the HWSSs and transfer station.

Lot 6 – Offensive Waste arising from the domestic kerbside clinical waste collection service.

- 2.2 The framework has performed well and provided appropriate solutions for the wastes handled by the authority. Any issues that have arisen during the course of the contract have been dealt with using the mechanisms provided for in the contract documents.

3 MAIN ISSUES

3.1 Procurement Compliance Issues

- 3.1.1 This report ensures procurement compliance in respect of:

CPR 3.1.6 Delegated Decision to undertake the procurement.

CPR 3.1.8 Approval of methodology and evaluation criteria.

- 3.1.2 An additional report will be provided on the conclusion of the tender evaluation to formally award the framework and allocate tonnages for the first contract year.

3.2 New Framework

- 3.2.3 The materials covered under the new framework will be:

Lot	Material	Source
Lot 1	Garden Waste	Kerbside Collections HWSS Transfer Station Parks and Countryside Service Cleaner Neighbourhoods Team
Lot 2	Residual Waste	HWSS and Transfer Station Cleaner Neighbourhoods Team
Lot 3	Timber	HWSS and Transfer Station Cleaner Neighbourhoods Team
Lot 4	Inert Waste	HWSS and Transfer Station Cleaner Neighbourhoods Team
Lot 5	Plasterboard	HWSS and Transfer Station Cleaner Neighbourhoods Team
Lot 6	Tyres	HWSS and Transfer Station Cleaner Neighbourhoods Team
Lot 7	Asbestos	Kirkstall Road HWSS and Transfer Station Cleaner Neighbourhoods Team

3.2.4 The contract documents will follow the same structure as the previous framework but will be updated and improved for the new arrangement based on lessons learned over the course of the last contract. In particular the performance related incentive mechanism will be strengthened to tackle scenarios where contractors are habitually repeating the same failures.

3.2.5 The new framework will include lots for tyres and asbestos. Although these were included in the original framework they were not awarded due to the lack of interest from suppliers who advised the tender documentation was too onerous for the value of the work. There is limited flexibility to make changes within the Council's standard

documentation but as much as possible will be done to make the procurement accessible to smaller organisations.

3.2.6 The lot for offensive waste has been removed in the new framework as this waste will be delivered to the Recycling and Energy Recovery Facility (RERF) going forward.

3.3 **Evaluation**

3.3.7 The evaluation of the new framework will use a two staged approach. The first stage of evaluation will determine which organisations are appointed to the framework and the second stage will allocate the tonnage under each lot.

3.3.8 The first stage of evaluations will be purely qualitative in order to determine which suppliers will be appointed to the framework. The topics covered in the evaluation will include:

- Contract approach **(20 points)**
- Operational interfaces **(25 points)**
- Resources and plant development **(35 points)**
- Environmental performance **(95 points)**
- Processing methods and market security **(50 points)**
- Monitoring and reporting **(40 points)**
- Business continuity **(25 points)**
- Corporate social responsibility **(10 points)**

3.3.9 The second stage of evaluations will incorporate price and quality on a 70/30 split with the quality element being made up solely of environmental performance guarantees. The price will use the figures submitted by suppliers but also the Councils own service costs including operational impacts for change of suppliers.

3.3.10 CORPORATE CONSIDERATIONS

3.1 **Consultation and Engagement**

3.1.1 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.

3.2 **Equality and Diversity / Cohesion and Integration**

3.2.1 An Equality Impact Assessment has been completed and it is not considered that the content of this report or the recommendations made will have any impact on any specific individual or group in terms of equality, diversity, cohesion and integration.

3.3 **Council policies and City Priorities**

3.3.1 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 was based on an evaluation which achieves a cost/quality balance which subsequently offers best value to the authority.

- 3.3.2 All appropriate governance arrangements will be followed throughout and this report forms part of that process. A second report will be submitted once the process is concluded and in order to gain approval prior to award.

3.4 Resources and value for money

- 3.4.1 By undertaking a formal tender process as described in this report an element of market competition has been introduced and this helps to drive down prices.
- 3.4.2 The evaluation calculation used for selecting service providers will be developed in conjunction with the Financial Officer supporting Waste Management Services with a view to ensuring that value for money is obtained.

3.5 Legal Implications, Access to Information and Call In

- 3.5.1 Officers from the Procurement Legal Team will be consulted throughout this tendering exercise and as such all legislative requirements surrounding EU Public Procurements will be adhered to.
- 3.5.2 The decision will be open for inspection through the Delegated Decision Process having been included on the Council's Forward Plan of Key Decisions as is required by the Council constitution. The Decision is not exempt from Call-in.

3.6 Risk Management

- 3.6.1 A risk register has been developed and will continue to be maintained in terms of the ongoing management of the contract once awarded, any high or escalating risks will be brought to the attention of the Deputy Chief Officer for Waste Management.
- 3.6.2 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 dealing with a number of major waste and recycle streams collected by the Council.
- 3.6.3 The existing formal arrangement will expire in March and the terms and conditions currently applicable would be at risk of change without notice. The Council would also be at risk of the quality of service being reduced and being without the protection and means of redress that a formalised arrangement provides.

4 CONCLUSIONS

- 4.7 The commencement of a procurement for the waste streams detailed within this report will ensure the Council complies with EU Public Procurement Regulations and the Council's own CPR's. The requirement to seek competition in these circumstances is at the core of these rules.
- 4.8 A tender process will introduce competition which in turn should drive down prices and ensure that value for money is being achieved.
- 4.9 The award of the contract will provide the Council with formal terms and conditions which provides the legal framework protecting service levels and prices.

5 RECOMMENDATIONS

- 6** 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 framework contract to deal with a range of waste and recycle streams collected by the Council.

7 BACKGROUND DOCUMENTS¹

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

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.