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**Report of:** Business Officer (Waste Management Contracts)

**Report to:** Deputy Chief Officer Waste Management

**Date:** 19 February 2019

**Subject:** Extension of the Call-Offs under the Recycling and Composting Framework (9KBA – M62F2H) in accordance with Contracts Procedure Rules (CPRs) 21.1.

Are specific electoral Wards affected?  Yes  No

If relevant, name(s) of Ward(s):

Are there implications for equality and diversity and cohesion and integration?  Yes  No

Is the decision eligible for Call-In?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

If relevant, Access to Information Procedure Rule number: 10.4 (3)

Appendix number: **Appendix 1**

## SUMMARY OF MAIN ISSUES

The current Recycling and Composting Framework (9KBA – M26F2H) was awarded in 2015 and covers a range of materials (garden waste, residual waste, timber, inerts, and plasterboard) collected at the Household Waste Recycling Centres (HWRCs) and garden waste collected at the kerbside. It is an important contract for the Waste Management Service both in terms of tonnage but also in terms of scope.

This framework expires at the end of February 2019 and the procurement for a replacement framework is yet to be concluded. There is an extension option for the current Call-Off contracts under the existing framework Terms and Conditions.

Approval is needed from the Deputy Chief Officer for Waste Management for the extension provision to be actioned. The extension will be issued for a period of up to 6 months to ensure consistency of service until the next procurement is concluded and a new framework is in place. This report seeks approval to utilise that extension.

## RECOMMENDATIONS

The Deputy Chief Officer for Waste Management is recommended to note the content of this report and approve the issue of an extension notice to the existing contractors under the Year 4 Call-Off (DN323246) from the Recycling and Composting framework (ref 9KBA-M62F2H) for a period of up to 6 months, in accordance with CPR 21.1.

## **PURPOSE OF THIS REPORT**

- 1.1 The information as set out in this report seeks to provide the Deputy Chief Officer for Waste Management with sufficient information to be satisfied that granting an extension to the Call-Off contracts under the existing framework is the most appropriate course of action for LCC.

## **2 BACKGROUND INFORMATION**

- 2.1 The current Recycling and Composting framework was awarded in 2015 and included provision for annual Call Offs for the duration of the contract. The framework is now in the fourth year (2018/2019) Call Off. The details of the tonnage allocations and the successful suppliers under the current Call Off are included in Appendix 1.
- 2.2 There has been satisfactory contract performance for the duration of the framework from all the suppliers that are currently allocated tonnage.

## **3 MAIN ISSUES**

- 3.1 A procurement for a replacement Recycling and Composting Framework is currently being undertaken. Unfortunately the project has experienced some delays due to the scale and complexity of the framework being tendered. It is expected this contract will now have a start date of 1<sup>st</sup> October 2019.
- 3.2 The current framework expires at the end of February 2019 and the current Call Off contracts expire at the end of March 2019. At this point the Council would potentially be in a position of having no formal contract arrangements for the key waste streams that are contracted.
- 3.3 A solution to provide continuity of service in the period between April 2019 and the award of the new framework is to extend the current Call Off contracts which the Council have the ability to do under clause 6.9.1:

*"Subject to satisfactory performance of its obligations under the Contract by the Contractor during the Initial Contract Period, the Customer may, by giving written notice to the Contractor prior to the last day of the Initial Contract Period, extend the contract for 12 months (such extension may not be taken up more than twice). The provisions of the Contract will apply throughout any such extension period"*

- 3.4 The extension would not be a modification to the framework as it has already been provided for in the terms and conditions and as a result the security and service standards that are provided by the contract will simply be continued.
- 3.5 Although clause 6.9.1 allows an extension period of 12 months this is not necessary so the extension requested is only for a period of up to 6 months and throughout that time progressing the new procurement will remain the priority. Indicative costs for the extension are included in Appendix 1.

## **4 CORPORATE CONSIDERATIONS**

### **4.1 Consultation and Engagement**

4.1.1 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.

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

4.2.1 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.

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

4.3.2 It is paramount that procurement activity in the authority is undertaken with a view to ensuring openness, transparency and fairness. All appropriate governance arrangements will be followed throughout the implementation of the extension and the procurement of the new framework.

4.3.3 Using an extension ensures key waste streams are appropriately contracted which aligns with Council policies to manage waste effectively and minimise its impact on our environment.

4.3.4 The subsequent contract will be established through a formal competitive exercise and the award based on an evaluation which achieves a cost/quality balance offering best value to Leeds.

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

4.4.1 By implementing an extension value for money is being delivered for LCC through ensuring both an appropriate short term solution and a robust longer term strategy that introduces market competition in the most appropriate way.

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

4.5.1 As a Key Decision this Delegated Decision Report is subject to Call-In and notification of the decision has been published on the Forward Plan.

4.5.2 CPR 21.1 permits the extension of a contract where it is in accordance with the contract terms, is made before the expiry date of the contract and will deliver Best Value. Due to the matters set out in this report at sections 3 and 4.4 above it is considered that these requirements have been met.

4.5.3 Although there is no legal obstacle preventing the implementation of an extension the contents of this report should be noted. In making the decision the Deputy Chief Officer for Waste Management should be satisfied that the course of action chosen represents best value for money to the Council.

**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 risk register has been developed and will continue to be maintained in terms of the ongoing management of both the extension and the procurement exercise. High risks or escalating risks will be brought to the attention of the Deputy Chief Officer for Waste Management.

### **5 CONCLUSIONS**

- 5.1 The Recycling and Composting Framework is a key waste management contract that needs to be properly managed to ensure effective and efficient services can be delivered. By extending the current arrangements appropriate short-term security can be put in place to allow a robust longer term contract to be established.

### **6 RECOMMENDATIONS**

The Deputy Chief Officer for Waste Management is recommended to note the content of this report and approve the issue of an extension notice to the existing contractors under the Year 4 Call-Off (DN323246) from the Recycling and Composting framework (ref 9KBA-M62F2H) for a period of up to 6 months.

### **7 BACKGROUND DOCUMENTS<sup>1</sup>**

- 7.1 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.