

Report of: Business Officer (Waste Management Contracts)

Report to: Chief Officer Environmental Services

Date: 30 June 2020

Subject: Procurement for a Scrap Metal, LAB (Lead Acid Batteries) and WEEE (Waste Electrical and Electronic Equipment) Recycling Contract

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

SUMMARY OF MAIN ISSUES

1. The existing contracts that deal with the recycling of scrap metal, lead acid batteries (LAB) and waste electrical and electronic equipment (WEEE) are due to expire in January 2021. These are key waste streams at the Household Waste Recycling Centres (HWRC's) that represent a significant income for the Council and provide a range of environmental benefits.
2. Approval to commence a procurement for replacement contracts has been provided under key decision D48752. However, since the approval was given the scope of the procurement has subsequently widened to include scrap metal, LAB and WEEE arising in the Bradford Metropolitan District Council (BMDC) area as well as that of Leeds City Council (LCC).
3. The procurement will continue to be led by LCC Waste Management Contracts Team but the collaboration with BMDC is expected to make the tender more appealing to the market and to offer the local authorities benefits through the efficient use of resources as part of a wider move to conduct more joint procurements.
4. This report seeks to update the Chief Officer for Environmental Services of the change in scope for the procurement and provide assurances that the route proposed is still the most appropriate.

RECOMMENDATION

The Chief Officer for Environmental Services is recommended to note the content of this report and approve the continuation of the procurement commenced under decision

D48752 with a wider scope to include scrap metal, LAB and WEEE arising in the Bradford Metropolitan area.

1 PURPOSE OF THIS REPORT

1.1 The report aims to provide the Chief Officer for Environmental Services with sufficient information to endorse the proposed approach in procuring a collection and recycling contract for scrap metal, lead acid batteries (LAB) and WEEE for both LCC and BMDC.

2 BACKGROUND INFORMATION

2.2 LCC have successfully led procurement collaborations with BMDC in the past, including significant contracts such as the Household Waste Site Recycling Framework. Partnership working makes the contracts being tendered more appealing to the market as suppliers only need to bid once for the prospect of securing more work. This approach also fosters good working relationships between the authorities which benefits both parties through shared resources, collaborations will continue to be used wherever it is appropriate.

2.3 The approval provided under D48752 is for 4 separate contracts for a period of 4 years with an extension option of 2 x 2 years. The contracts are:

- Contract 1: Scrap metal (skips including large domestic appliances [LDAs] and steel vehicle rims)
- Contract 2: LAB
- Contract 3: Alloy vehicle rims
- Contract 4: WEEE and Household Batteries

2.4 The evaluation of contracts 1-3 will be on a 60% price 40% quality split. Contract 4 will be evaluated 100% on quality as it will be restricted to being delivered by a PCS. That may be a PCS who bid only for this contract or may be a scrap company who bid for all contracts and have a partner PCS who can fulfil the associated obligations. The same quality criteria will be used for all contracts but will be weighted differently

3 MAIN ISSUES

3.5 Following the inclusion of BMDC the 4 contracts being tendered will be split into 'A' and 'B' for the two authorities, for example, Contract 1A will be scrap metal from LCC and Contract 1B will be scrap metal from BMDC. Suppliers may still tender for 1 or more contract and any combination of the 8 contracts available for the full contract duration.

3.6 The tender documentation will be used to make the differences between the contracts clear. The documents will also highlight that however the contracts ultimately end up being awarded, successful suppliers will have obligations across scrap and WEEE that will require co-operation and information sharing. The Councils will also reserve the right not to award any of the contracts.

3.7 BMDC have confirmed they are happy with the proposed approach including the previously agreed evaluation criteria.

4 CORPORATE CONSIDERATIONS

4.8 Consultation and Engagement

4.9 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.

4.10 Equality and Diversity / Cohesion and Integration

4.11 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.

4.12 Council policies and City Priorities

4.13 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 based on an evaluation which achieves a cost/quality balance which subsequently offers best value to both authorities.

4.14 All appropriate governance arrangements will be followed throughout. An award report will be submitted once the process is concluded and in order to gain approval prior to the appointment of recommended suppliers.

4.15 These contracts support the priority to deliver sustainable infrastructure and a low carbon economy by efficiently recycling what would otherwise be considered waste.

4.16 Resources and value for money

4.17 By undertaking a formal tender process as described in this report an element of market competition has been introduced and this helps to improve the prices the Councils can achieve.

4.18 The procurement is for an income generating waste stream that is market tracked so the level of income has the potential to fluctuate over the course of the contract. The pricing for Contracts 1-3 is tracked against market indices which offers bidders security to competitively bid as any market downturns are effectively shared with the Councils but conversely this also ensures the Councils share in the benefits of a buoyant market.

4.19 Legal Implications, Access to Information and Call In

4.20 The report does not contain any confidential information.

4.21 Officers from the LCC Procurement Legal Team will be consulted throughout this tendering exercise and as such all legislative requirements surrounding EU Public Procurements will be adhered to. The procurement route will be an open procurement with multiple contract awards.

4.22 The decision and subsequent award will be open for inspection through the Delegated Decision Process.

4.23 Risk Management

4.24 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 Chief Officer for Environmental Services.

- 4.25 If the recommendation to continue with the procurement as described within this report is not approved then LCC will risk being in a position where the best available contractual arrangements cannot be accessed and the other benefits of collaborative procurements are missed.
- 4.26 If the procurement is not concluded at all then the existing formal arrangements will expire in January 2021 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.

5 CONCLUSIONS

- 5.27 The continuation, and ultimate conclusion, of the procurement for the waste streams detailed within this report will ensure the Council maximises income and ensures value for money is being achieved for several important materials.
- 5.28 By working in conjunction with BMDC the contracts become more appealing to the market and the procurement offers efficiencies for the authorities.
- 5.29 The award of the contracts detailed will provide both authorities with formal terms and conditions which provides the legal framework protecting service levels and prices.

6 RECOMMENDATIONS

- 7 The Chief Officer for Environmental Services is recommended to note the content of this report and approve the continuation of the procurement commenced under decision D48752 with a wider scope to include scrap metal, LAB and WEEE arising in the Bradford Metropolitan area.

8 BACKGROUND DOCUMENTS¹

- 8.1 None.

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.