

Report of: Business Officer (Waste Management Contracts)

Report to: Chief Officer Environmental Services

Date: 10th June 2020

Subject: Approval to procure Street sweepings and Highways construction waste contract

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Main issues

- There is in place a current interim contract that deals with the transport and treatment and recycling of street and gully waste arising from the Leeds area which expires in January 2021.
- There are no extension options available in the contract which means to ensure all the wastes included are appropriately contracted a replacement contract is required. In order to comply with Contract Procedure Rule (CPR) 3.1.6 Chief Officer Approval is needed to commence the procurement and to approve the evaluation criteria.
- The 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. As per requirements the contract is split up into various lots.
- The Highways department requirement for the collection/delivery of highways construction waste and the purchase of recycled aggregate isn't currently in a formal arrangement.
- As a similar waste stream the council has to deal with, officers from the Procurement team identified that Highways construction waste could be incorporated into this tender. As such, the tender will include Lots in the tender/contract that deal specifically with those waste streams.

- The contract will be for a period of 3 years initially with the option to extend for up to 2 years.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The appropriate contracting of key waste services supports the delivery of sustainable infrastructure under the Best Council Plan with the specific aim of reducing waste and increasing recycling.
- Procurement for a longer term solution also indirectly support a number of other priorities. Appropriate services helps to avoid anti-social behaviour and environmental crime issues which allows safe, strong communities and friendly city priorities to succeed.
- Building sustainable infrastructure in terms of improving transport connections whilst promoting greener methods of transport and improving air quality and reducing pollution and noise.

3. Resource Implications

- 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.
- The evaluation calculation used for selecting service providers will be developed in conjunction with the Financial Officers supporting Waste Management Services and Highways maintenance with a view to ensuring that value for money is obtained

Recommendations

The Chief Officer for Environmental services and the acting Head of Highways infrastructure 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 contract to deal with street sweepings and arisings from Leeds.

The Chief Officer for Environmental services and the acting Head of Highways infrastructure is also recommended to note the content of this report and approve the evaluation criteria and methodology that will be used to identify successful tenderers.

1. Purpose of this report

- 1.1 The report aims to provide the Chief Officers with sufficient information to endorse the proposed approach in procuring a replacement Street sweepings contract. The report also ensures compliance with CPRs by formally authorising the commencement of the procurement exercise and approval of the evaluation methodology.

2. Background information

- 2.1 As a statutory service the council has to undertake required under the Environmental Protection Act, the council collects around 9,000 tonnes per annum through street cleansing.

- 2.2 An interim arrangement was put in place in March 2020 for a period of 8 months. This arrangement ends in January 2021.
- 2.3 The contract has performed well and provided appropriate solutions for the waste 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.
- 2.4 The council undertake repair and maintenance of highways and pathways around Leeds and have a requirement to treat and recycle around 50,000t of inert material.

3. Main issues

- 3.1 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.
- 3.2 Upon conclusion of the tender exercise and subsequent evaluations a separate report will seek to formally award the contracts.
- 3.3 The contract will be composed of 4 Lots where it is envisioned there will be 1 supplier per lot;
- Lot 1 – Collection, treatment and recycling of street sweepings. (Waste Management)
 - Lot 2 – Skip service to transport skips from locations around Leeds (Waste Management)
 - Lot 3 – Collection or Delivery of Highways construction waste (Highways Maintenance)
 - Lot 4 – Purchase of Highways construction material (Highways Maintenance)
- 3.4 The project team utilised lessons learned from managing the previous contract and identified areas in the service where potential efficiencies can be made. At the same time combining the two requirements from both services will generate efficiencies in officer time and resource.

Evaluations

- 3.5 Evaluation for all lots apart from Lot 4 will be based on 60% price and 40% quality element with 600 points available for price and 400 points available for the quality element.
- 3.6 The quality element will be made up of topics;
- Capacity and Resources (60 points)
 - Service Delivery and Contract Approach (50 points)
 - Processing Method (40 points)
 - Material output and Environmental Considerations (90 points)
 - Environmental Performance (100 points)
 - Business Continuity (30 points)
 - Measurement and Reporting (10 points)

- Social value (20 points)

3.7 Lot 4 will be evaluated on 100% price only.

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.

4.1.2 Service users have been approached for consultation and the specification and contract documents have therefore addressed any issues or problems in the current service.

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 the Best Council Plan

Climate Emergency

4.3.1 The extraction of the constituent raw materials of products are major contributors to carbon emissions and climate change. This contract helps to maintain Leeds City Council's ambition to reduce the emissions associated by the subsequent use of these materials as a raw material that can replace the need and reliance of virgin and finite materials. This use of recycled materials as a replacement to new products moves the production chain from a linear one of consumption and moving towards a more of a circular process where materials are recycled with the intention to be used again.

4.3.2 The emphasis in procurements of this kind and for these waste streams is to maximise adherence to the waste hierarchy and circular economy where Re-use and recycling is selected as the preferred method for dealing with this waste ahead of other waste disposal options.

4.3.3 Ensuring continuity in the recycling forms part of the Council's efforts to address the climate emergency situation which has been declared in Leeds, and contributes towards the Council's aspiration of becoming a carbon neutral city by 2030.

Best Council Plan

4.3.4 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.

4.3.5 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.

4.4 Resources, procurement and value for money

4.4.1 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.

4.4.2 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.

4.4.3 The project team utilised lessons learned from managing the previous contract and identified areas in the service where potential efficiencies can be made. At the same time combining the two requirements from both services will generate efficiencies in officer time and resource.

4.5 Legal implications, access to information, and call-in

4.5.1 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.

4.5.2 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.

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 the contract once awarded, any high or escalating risks will be brought to the attention of the Chief Officer for Waste Management and Chief Officer Highways and Transportation.

4.6.2 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 major waste streams collected by the Council.

4.6.3 The existing formal arrangement will expire in January 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

5.1 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.

5.2 A tender process will introduce competition which in turn should drive down prices and ensure that value for money is being achieved. Additionally implementing the recommendations from lessons learned from the current arrangement will seek to further improve the service and introduce efficiencies.

5.3 The award of the contract will provide the Council with formal terms and conditions which provides the legal framework protecting service levels and prices.

6. Recommendations

6.1 The Chief Officer for Environmental services and the acting Head of Highways infrastructure 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 contract to deal with street sweepings and arisings from Leeds.

6.2 The Chief Officer for Environmental services and the acting Head of Highways infrastructure is also recommended to note the content of this report and approve the evaluation criteria and methodology that will be used to identify successful tenderers.

7. Background documents¹

7.1 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.