

## Award of the Year Three Tonnage Allocation (DN562486) under the Household Waste Site Recycling Framework (DN370317)

Date: 15th September 2021

Report of: Waste Management Business Officer

Report to: Chief Officer for Environmental Services

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- A procurement process was conducted in 2019 to establish a 4-year framework to deal with a range of waste streams collected at the Household Waste Sorting Sites (HWSS). The materials are separated into lots and include residual waste, timber, inert waste and plasterboard.
- The evaluation of the framework was designed as a two staged process. The first stage was purely qualitative to determine which organisations were appointed onto the framework lots. The second stage is a mini competition exercise to enter into a call off under the framework.
- The second stage of the evaluation is repeated every year to allocate tonnage under the framework for the coming contract year. This process has now been completed for the third year of the framework i.e. from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022 and the suppliers recommended to be awarded contracts are detailed in this report. Contract Procedure Rule (CPR) 18.6 requires that a decision to award is made by the relevant Officer through the delegated decision process. The decision should outline the reasoning for the selection of the contractors.
- The overarching framework provides an arrangement where multiple service providers can be appointed on to the framework for each individual Lot. There are no guarantees of tonnages being delivered to any of the organisations on the framework. The annual allocation of tonnages (call-off), which is determined through the mini competition, takes into account the gate fees offered, the environmental performance of the solution and the cost of our own transport to the facility proposed.
- Confidential Appendix 1 details the Year 3 evaluation process to allocate tonnage under the different Lots. The summary of the outcome of this process is:

Lot N°	Lot Description	Contractors Appointed	Sites Proposed	Tonnage Allocation
1	Residual Waste	Associated Waste Management Ltd	Gelderd Road, Gildersome	20,870
			Valley Farm Road, Stourton	5,975
2	Timber	Timberpak Ltd.	Cross Green, Leeds	14,111
3	Inert Waste	Associated Waste Management Ltd	Cross Green, Leeds	3283
4	Plasterboard	Associated Waste Management Ltd	Cross Green, Leeds	314
			Valley Farm Road, Stourton	73

- 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.
- This procurement also indirectly supports a number of other priorities. Appropriate waste services help to avoid anti-social behaviour and environmental crime issues which allows safe, strong communities and friendly city priorities to succeed.

## Recommendations

- a) The Chief Officer for Environmental Services is recommended to note the content of this report and approve the appointment of the following tenderers as suppliers under Year 3 (1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022) of the Household Waste Site Recycling Framework. Estimated value of the Call Off is £2.8m

Lot N°	Lot Description	Contractors Appointed	Sites Proposed
1	Residual Waste	Associated Waste Management Ltd	Gelderd Road, Gildersome
			Valley Farm Road, Stourton
2	Timber	Timberpak Ltd.	Cross Green, Leeds
3	Inert Waste	Associated Waste Management Ltd	LSS, Cross Green
4	Plasterboard	Associated Waste Management Ltd	LSS, Cross Green
			Valley Farm Road, Stourton

**Why is the proposal being put forward?**

- 1 The proposal is being put forward to ensure the continuation of an ongoing tender process that was designed to offer best value for the Council in a range of key waste streams.

### What impact will this proposal have?

**Wards affected: None**

Have ward members been consulted?

Yes

No

- 2 The overall impact of this proposal is to deliver a continuation of effective and efficient services through appropriately contracted and managed waste provisions. Although stakeholders will not feel a change through the implementation of this proposal if it weren't adopted the impacts would be detrimental to the services seen at the Councils Household Waste Sites.

### What consultation and engagement has taken place?

- 3 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.

### What are the resource implications?

- 4 As a continuation contract for existing arrangements the services under the framework have been adequately budgeted for over the duration of the framework. There is an overall cost increase across the framework for the coming year of £124K.
- 5 The completion of the Call Off exercise and the subsequent contract management of the awarded contracts will be undertaken by the Waste Management Contracts Team, and the requirements of this have been identified in the Waste Management Procurement Strategy.

### What are the legal implications?

- 6 Officers from Procurement and Commercial Services have been consulted throughout this tendering exercise and as such all legislative requirements surrounding EU Public Procurements have been adhered to. The contract was advertised in the Official Journal of the European Union (OJEU) as is required of a framework of this value and an open and transparent process has been followed.
- 7 The decision to allocate tonnages under the third year of this framework is open for inspection through the Delegated Decision Process.
- 8 **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.**
- 9 **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.**

## **What are the key risks and how are they being managed?**

- 10 If the recommendation to award 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 waste and recycle streams collected by the Council.
- 11 There is an increased risk of challenge for this particular Call Off because of the need to accept a higher rate on the timber lot as detailed in Appendix 1. This risk is mitigated by the lack of other options and the supplier feedback regarding how much timber markets have changed since the framework was established.
- 12 Throughout the procurement a risk register has been developed and those risks have been adequately managed. The risk register will continue to be maintained until the conclusion of the procurement but also in terms of the ongoing management of the contract once awarded. Any high risks or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.
- 13 It is imperative that secure outlets are available for the materials collected by the Council. The risk of not having those outlets in place is that any available capacity may be taken up by other organisations and/or prices and terms may be varied at short notice and without the consideration of the Council as a client.
- 14 Conclusion of this procurement will provide a range of legally binding call-off contracts with the organisations on the framework and the terms of those call-off contracts will protect the Council against adverse performance issues, site availability issues, health and safety concerns as well as protecting the rates agreed.

## **Does this proposal support the council's three Key Pillars?**

- Inclusive Growth       Health and Wellbeing       Climate Emergency

- 15 This contract is to help maintain Leeds City Councils network of destinations to treat a range of waste streams arising at the Council's 8 HWRC's. The emphasis in procurements of this kind and for these waste streams is to maximise adherence to the waste hierarchy where re-use and recycling is selected as the preferred method for dealing with these wastes ahead of other waste disposal or treatment technologies. This demonstrates efforts made to combat 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.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 16 There are limited alternative options available at this point in the tender process as the annual call offs have already been prescribed when the framework was established. If this were process were not followed the Council would be vulnerable to a legal challenge.

### **How will success be measured?**

- 17 Success will be measure as part of the contract management process, primarily utilising the performance related incentive mechanism of the contract.

### **What is the timetable for implementation?**

- 18 The start date for the contracts awarded under this Call Off will be 1<sup>st</sup> October 2021.

## **Appendices**

19 Confidential Appendix 1 details the Year 3 Evaluation.

## **Background papers**

20 N/A