

Award of the Year Four Tonnage Allocation (56071) under the Household Waste Site Recycling Framework (DN370317)

Date: 23rd September 2022

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

Brief summary

- A procurement process has been conducted to establish a 4-year framework for the processing of residual waste, timber, inert waste and plasterboard arising at the Household Waste Recycling Centres.
- The framework includes an annual call for competition to ensure the Council is always receiving the most competitive rates available. This process has been completed for the fourth year.
- The Chief Officer for Environmental Services is recommended to approve the award based on the outcome of the pre-determined evaluation as detailed in this report.

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 4 (1st October 2022 to 30th September 2023) of the Household Waste Site Recycling Framework. Estimated value of the Call Off is £3.4m

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
			Valley Farm Road, Stourton
4	Plasterboard	Associated Waste Management Ltd	LSS, Cross Green
			Valley Farm Road, Stourton

What is this report about?

- 1 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 Recycling Centres (HWRCs). The materials are separated into lots and include residual waste, timber, inert waste and plasterboard.
- 2 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.
- 3 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 fourth and final year of the framework i.e. from 1st October 2022 to 30th September 2023 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.
- 4 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.
- 5 Confidential Appendix 1 details the Year 4 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	23,425
			Valley Farm Road, Stourton	7543
2	Timber	Timberpak Ltd.	Cross Green, Leeds	13095
3	Inert Waste	Associated Waste Management Ltd	Cross Green, Leeds	4059
			Valley Farm Road, Stourton	433

4	Plasterboard	Associated Waste Management Ltd	Cross Green, Leeds	270
			Valley Farm Road, Stourton	69

- 6 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.
- 7 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.

What impact will this proposal have?

- 8 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.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 9 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.

What consultation and engagement has taken place?

Wards affected: N/A

Have ward members been consulted? Yes No

- 10 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?

- 11 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 £581K.
- 12 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 key risks and how are they being managed?

- 13 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.
- 14 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 or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.
- 15 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.
- 16 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.

What are the legal implications?

- 17 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.
- 18 The decision to allocate tonnages under the third year of this framework is open for inspection through the Delegated Decision Process.
- 19 **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.**
- 20 **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.**

Options, timescales and measuring success

What other options were considered?

- 21 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?

22 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 and who will be responsible for implementation?

23 The start date for the contracts awarded under this Call Off will be 1st October 2022.

Appendices

- Confidential Appendix 1 details the Year 4 Evaluation.

Background papers

- N/A