

# Authority to Procure a Framework Contract for Corporate Waste and Recycling Services in Line with CPR 3.17

Date: 4<sup>th</sup> October 2024

Report of: Chief Officer Climate Energy and Green Spaces

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

This report seeks authority to carry out a procurement for a new framework contract to provide waste collection and reprocessing services for waste produced by Leeds City Council services. This contract will exclude any confidential waste as this is dealt with under a separate contract.

A contract was awarded in March 2019 to deliver corporate waste and recycling service and supply of skips. This contract expired on the 30<sup>th</sup> April 2023 and subsequently this has been modified using regulation 72 (1) (b) of the Public Procurement Regulations 2015 and is due to expire on the 30<sup>th</sup> April 2025. There is an ongoing need for this contract and the modification process cannot be used again therefore a procurement exercise must be carried out to obtain a replacement contract.

## Recommendations

- a) The Director of Communities, Housing and Environment is recommended to approve the procurement of the Corporate Waste, Recycling and Supply of Skips framework contract. This contract will start on the 1<sup>st</sup> May 2025 and expire 30<sup>th</sup> April 2029, with the estimated cost to the Council being £600,000 per annum. There will also be an estimated rebate on recycling waste to the Council of £60,000 per annum.

## What is this report about?

- 1 Section 34 of the Environmental Protection Act 1990 imposes a duty of care on persons or businesses concerned with handling waste. This duty of care effects anyone who produces imports, carries, keeps, treats or disposes of controlled waste, or as a broker has control of such waste. The Council's operations and services produce waste, and the Council is therefore required to ensure this waste is managed appropriately.
- 2 A corporate buildings recycling and waste framework contract was awarded in March 2019 to deliver a corporate waste, recycling and skip supply contract. The contract commenced on the 1<sup>st</sup> May 2019 until the 30<sup>th</sup> April 2023 with no provision to extend.
- 3 The Council, using regulation 72 (1) (b) of the Public Procurement Regulations 2015, modified this contract to extend the end date twice in the subsequent years to an end date of the 30<sup>th</sup> April 2025. There are no further provisions available to modify this end date and as such there is a requirement to carry out a procurement exercise to establish a new contract.

## What impact will this proposal have?

- 4 This new framework contract will ensure that suitable arrangements for the ongoing processing of waste across multiple services in the Council. The contract will further ensure that waste is processed in the right way and in line with current and future laws.
- 5 The current contract comprises 12 separate Lots, with each Lot being a separate waste stream. Due to the low volumes of wastes associated with certain Lots, some specialist waste companies were not interested in tendering when it was previously procured. It is therefore proposed that waste streams are consolidated into 6 Lots covering certain waste classifications. This consolidation should allow bidders to focus on material groups that they are able to manage. The proposed Lots are outlined below:

	<b>Waste Type</b>	<b>Collection Type</b>
<b>Lot 1</b>	Food waste	Wheeled Bin Service / Skip Service
<b>Lot 2</b>	Mixed general waste	Wheeled Bin Service / Skip Service
	Persistent Organic Pollutant Wastes (POPs)	Skip Service
<b>Lot 3</b>	Biodegradable waste	Skip Service
<b>Lot 4</b>	Paper/cardboard	and baled waste
	Scrap metals	Skip Service
	Aluminium	Skip Service
<b>Lot 5</b>	Mixed building and construction waste	Skip Service
	Inert waste (soil / stones)	Skip Service
	Mixed Wood/timber	Skip Service
	Asbestos	Skip Service
	Plasterboard / gypsum	Skip Service
<b>Lot 6</b>	Mixed rigid plastics	Skip Service, baled waste

- 6 Lot 1 (Food waste) has been updated to include wheeled bin services as there is incoming legislation (National Simpler Recycling reforms) that will require the separation of food waste. This will come into force by the 31<sup>st</sup> March 2025. This addition has been made to ensure the

specification covers sites that will require their food waste to be disposed of in wheeled bins where this is considered feasible.

- 7 The value of the contract is estimated at £600,000 per annum based on historical spend. The contract will include a requirement for a rebate payment to Council for the recycle material that has a value. Based on historical values it is estimated the rebate has a value of £60,000 per annum. However, this rebate figure is dependent on the price of recycling materials in the market and the quality and quantity of material collected.
- 8 This contract will be a corporate contract which will cover the needs of varied departments across the Council. These include, Climate Energy and Green Spaces, Adult health services, children's services, Civic Enterprise Leeds, Leeds Building Service and other areas of the Council as and when required. Some of the skips and waste services are on a permanent need for waste streams produced at certain corporate sites or locations across Leeds and others will be arranged on an ad-hoc basis.
- 9 The proposed tender evaluation approach to be implemented will be the price / separated methodology. This means the contractor will be required to meet a minimum threshold on the quality submission with those organisations that pass the set quality threshold then being evaluated on a price only basis. The quality questions and allocation of points for each will formally be approved in a separate administrative decision in line with the CPR's via approval from the Chief Officer of Climate, Energy and Green Spaces.

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

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 10 This contract will support the Councils carbon neutral policy by recycling materials such as plastics, metals and paper / cardboard products alongside the extraction of raw materials that can be re-used therefore reducing the need for raw materials and reducing the emissions that come from there production.
- 11 The contract to be procured will include social value requirements that will include a number of specific TOMs (Themes, Outputs and Measures) against which potential suppliers are required to bid back in terms of how the associated social value objectives will be met. The TOMs will cover a range of potential areas such as local employment, training, educational support, environmental initiatives that will contribute towards inclusive growth.
- 12 The contract provides an opportunity for inclusive growth as it is a contract that would be of interest to Leeds based organisations.

#### **What consultation and engagement has taken place?**

Wards affected: N/A

Have ward members been consulted?       Yes       No

- 13 Consultation with Procurement and Commercial Services have taken place to ensure that this procurement is in line with Public Procurement Regulations 2015.
- 14 Consultation has also taken place with key services within the Council namely, CEGS, Adult Social Care, Children's Services, Civic Enterprise Leeds, Leeds Building Services, and other Council services that use this contract to ensure the specification and planned procurement are in line with their requirements.

#### **What are the resource implications?**

- 15 There are no financial implications associated with the decision to authorise a procurement. Full details regarding the financial implications of the contract will be reported in a subsequent decision to award report.
- 16 The procurement will result in framework contract being established with a number of contractors that are considered suitable for meeting the council's needs.
- 17 Contract Management will be carried out by the Climate Energy and Green Spaces Services as the largest user of the current contract. The service has agreed to manage this contract and will receive the rebate value from this contract to support the management of this.

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

- 18 The risk in any procurement is a lack of interest and receiving a low number of bids. This risk has been mitigated by carrying out an Expression of Interest to alert the market to the upcoming tender and ensuring throughout the tender period that bidders are engaged and supported to enable a bid to be submitted.
- 19 Due diligence checks will be undertaken on the contractors bidding for the contract to ensure their financial position and stability, insurance certification, health and safety policies and that they are adhering to waste regulation compliance.

### **What are the legal implications?**

- 20 The tender will be carried out in line with the Council's CPRs and Public Contract Regulations 2015. Procurement and Commercial Services (PACS) will provide support to ensure compliance is adhered to.
- 21 The value of the decision makes the Authority to Procure a Key Decision and as such is subject to call in. This procurement was added to the list of forthcoming key decision on 2<sup>nd</sup> October 2023.
- 22 The decision to award the contract will be treated as a consequence of this key decision and will therefore be a publishable Admin Decision which will not be subject to call in.

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

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

- 23 Existing frameworks and contract arrangements have been explored to see if any cover the requirements of the Council, however none cover the needs of the Council and as such there is a requirement to carry out an open tender to the market.

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

- 24 Success will be measured by procuring a contract that meets the needs of the Council whilst offering value for money.

#### **What is the timetable and who will be responsible for implementation?**

- 25 It is intended that tender documents will be published in October 2024 with the contract awarded in January / February 2025 to enable the contract to commence on the 1<sup>st</sup> May 2025.
- 26 The Head of Commercial and Estates within Climate Energy and Green Spaces will be responsible for the implementation and contract management of the service.

### **Appendices**

- EDCI

## **Background papers**

None