

Central Bedfordshire Council

EXECUTIVE

2 August 2016

Procurement and Award of Waste Treatment and Disposal Contracts

Report of Cllr Brian Spurr, Executive Member for Community Services
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This report relates to a Key Decision

Purpose of this report

1. The report proposes the Executive approve the provision of delegated authority to the Director of Community Services, in consultation with the Executive Member for Community Services, to award contracts for various waste treatment and disposal lots following the completion of the EU procurement process.

RECOMMENDATIONS

The Executive is asked to:

1. **grant delegated authority to the Director of Community Services, in consultation with the Executive Member for Community Services, to award contracts for the waste treatment and disposal lots identified within this report in order to meet the required timescales allowing contracts to be operational by October 2016.**

Overview and Scrutiny Comments/Recommendations

1. A presentation on the wider waste procurement strategy was taken to Overview and Scrutiny on the 17 March 2016 where it was fully supported.

Issues

2. This report sets out the strategy to deliver several residual waste treatment and disposal contracts for the Council to allow the provision of waste treatment and disposal services to be maintained.

Background Information

3. The Council's current contracts for the management of some types of waste are due to end on 30 September 2016. These include kerbside collected black bin waste; bulky waste from kerbside collections and Household Waste Recycling Centres and glass from kerbside collections and bring sites.
4. The Council is in the final stages of agreeing a new waste disposal contact with a waste management company in a neighbouring authority to treat and dispose of the Council's kerbside black bin waste and street cleansing residual waste. An EU procurement is currently underway to secure treatment and disposal of the remaining materials.

Proposal/ Procurement Strategy

5. The Council has approached the market to secure the following services:
 - Disposal/ treatment of excess/additional kerbside residual waste and street cleansing for tonnage over and above the maximum capacity available through the disposal contract currently being progressed.
 - Disposal/ treatment of street sweepings.
 - Disposal/ treatment of bulky HWRC residual waste and kerbside collected bulky waste.
 - Disposal/ treatment of mixed glass.
6. Each waste stream being tendered has been allocated a separate lot. Tenderers have been invited to bid any combination of lots or just one lot. The Council has chosen this approach to allow for flexibility and to encourage specialist providers to bid on specific lots. Full details of each lot are outline below.
7. This is an EU procurement and will follow the restricted process, with a Pre Qualification Stage, with successful Bidders being invited to submit a tender. Based on current timescales it is anticipated that evaluation of tenders will be completed by the first week in September. This will allow contracts to commence on the 1 October. To allow the contracts to be operational by this date delegated authority to award the contracts is required.
8. The Contract will be awarded on the basis of the most Economically Advantageous Tender (MEAT) with 40% of available scores being allocated to resources/quality and 60% to cost.

Lot 1 - Excess Kerbside Residual Waste and Street Cleansing

Contract Term – 1 Year only

Description – The Council is progressing a disposal contract for the treatment of up to 45,000 tonnes of kerbside and street cleansing residual waste (35,000t in Year 1). To cover the entire requirements of the authority area the Council is seeking to secure 14,000 to 16,000t of residual waste capacity in year 1 of the contract only.

Estimated Lot Value - £1.1 to £1.4 million (1 Year excluding haulage)

Lot 2 - Additional Kerbside Residual Waste and Street Cleansing

Contract Term – 5 Years

Description – Central Bedfordshire Council is progressing a disposal contract for the treatment of up to 45,000 tonnes of kerbside and street cleansing residual waste (35,000t in year 1). To ensure the best value for money the Council is seeking to secure additional capacity of up to 11,250 to accommodate waste growth in the Authority area.

Estimated Lot Value - £3.5 to £4.9 million over 5 years (excluding haulage)

Lot 3 - Street Sweepings Disposal

Contract Term – 5 Years

Description – Provision of street sweeping treatment/ disposal for an estimated 1,500 – 2,000 tonnes per annum. The materials collected include litter such as cigarette butts and food packaging, leaf litter and weeds and grit

Estimated Lot Value – £520,000 to £700,000 over 5 years (excluding haulage)

Lot 4 – Street Sweeping Lot for Bedford Borough (not applicable to this report)

Lot 5 - HWRC Residual and Kerbside Bulky Residual Waste Disposal

Contract Term – 5 Years

Description – The provision of bulky waste treatment/disposal. The Council is seeking an outlet for 5,000 to 7,000 tonnes of non reusable/recyclable bulky waste collected at the Household Waste Recycling Centres as well as bulky waste collected at the kerbside.

Estimated Lot Value - £2.4 million to £3.7 million over 5 years (excluding haulage)

Lot 6 – Mixed Glass (disposal)

Contract Term – 5 Years

Description – The provision of mixed glass treatment/disposal for 4,500 – 5,500 tonnes of kerbside collected glass (from approximately 13,000 homes in the south of the authority area) and bring bank mixed glass.

Estimated Lot Value - £200,000 to £275,000 over 5 years (excluding haulage)

Reason/s for decision

9. The Council has a statutory responsibility to dispose of household waste collected within its administrative area. The tender of the services above will allow the Council to meet its statutory obligations. The contract lengths have been selected provide the Council with a degree of flexibility and ensure value for money is achieved for these services.

Council Priorities

10. The recommendations of this report support Central Bedfordshire in delivering the following priorities:
 - Great universal services – by providing disposal services to enable the continued collection of waste in Central Bedfordshire.
 - Value for money: The procurement will secure the most economically advantageous solutions for the services ensuring the budget can be managed within the current provision of the Medium Term Financial Plan (MTFP).

Corporate Implications

Legal Implications

11. Central Bedfordshire is a Waste Disposal Authority (WDA) under Sections 51 and 55 of the Environmental Protection Act 1990 and is under a duty to dispose of household waste collected within its administrative area. Undertaking this proposal will allow CBC to contract for the services to meet these duties.
12. In delivering this procurement the Council are acting in accordance with EU Procurement Directives and ensure that all procurement activity is conducted in compliance with the Public Contracts Regulations 2015.

Financial Implications

13. The Council is facing significant financial pressures in the coming years and in light of this it is essential that value for money is a key deliverable of this procurement alongside environmental and performance considerations.
14. As ongoing statutory services, adequate financial provision is made in base budgets for these services. It is anticipated that the proposal will secure services in line with the costs identified within the current MTFP.

Risk Management

15. The Council has a statutory responsibility to dispose of the waste collected within its administrative area under Sections 51 and 55 of the Environmental Protection Act 1990 and Section 1 of the Refuse Disposal (Amenity) (RDA) Act 1978. This procurement will mitigate the risk of not discharging its statutory responsibilities.
16. The other key risks to the Council that will be mitigated through the delivery of this procurement include
 - i. Procurement risk challenge
 - ii. Current contracts expiring with only high cost emergency provision of services available.

Staffing

17. There would be no impact on staffing as a result of this recommendation.

Equalities Implications

18. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. As part of the procurement process, organisations submitting bids will be asked to provide information demonstrating an understanding of equality legislation as it relates to residents and employees.

Public Health

19. The health and well being of residents would be negatively impacted if waste disposal services were not in place for an extended period of time impacting on collections. The recommendation ensures that the Council fulfils its statutory duties in relation to Public Health.

Community Safety

20. The Council's statutory duty under Section 17 of the Criminal and Disorder Act 1998 includes the need to address environmental crimes such as fly tipping. The provision of a waste disposal service facilitates collection and allows residents to safely deposit their waste items, in a responsible and legal manner. If the provision of this service were disrupted it could lead to an increase in the incidents of fly tipping, a criminal offence. The recommendation ensures that the Council fulfils its statutory duties in relation to crime and disorder.

Procurement

21. In delivering this procurement, the Council will act in accordance with the EU Procurement Directives and ensure that all procurement activity is conducted in compliance with the Public Contracts Regulations 2015.
22. The internal procurement team have been fully engaged during the process and will remain engaged until contract award. A full audit trail is in place covering the entire exercise which will be kept as a full record of the process for the required period.

Sustainability

23. Landfilling waste leads to the release of substantial amounts of methane, a potent greenhouse gas with over twenty times the climate change potential of carbon dioxide. Through this project the Council is seeking to maintain high landfill diversion performance and where possible further minimise the tonnages of waste being landfilled.

Conclusion and next Steps

24. Should the recommendation in this report be agreed, once the procurement process has been completed the Council will award the lots identified above as appropriate. This will allow for the new contracts to be operational from the 1 October 2016 and ensure continued disposal services for the Council.

Appendices

None

Background Papers

None