

## Central Bedfordshire Council

EXECUTIVE - 9 December 2014

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### Waste Infrastructure and Operational Contracts

Report of: Cllr Brian Spurr, Executive Member for Community Services  
([brian.spurr@centralbedfordshire.gov.uk](mailto:brian.spurr@centralbedfordshire.gov.uk))

Advising Officers: Marcel Coiffait, Director of Community Services  
([marcel.coiffait@centralbedfordshire.gov.uk](mailto:marcel.coiffait@centralbedfordshire.gov.uk))

Ben Finlayson, Head of Capital ([ben.finlayson@centralbedfordshire.gov.uk](mailto:ben.finlayson@centralbedfordshire.gov.uk))

Tracey Harris, Head of Waste Services  
([tracey.harris2@centralbedfordshire.gov.uk](mailto:tracey.harris2@centralbedfordshire.gov.uk))

**This report relates to a Key Decision**

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#### Purpose of this report

1. This report seeks to provide the Executive with an update on the delivery of selected elements of the waste management strategy approved by Executive in March 2014. In addition the report seeks delegated authority to award a number of contracts which are required in order to deliver the approved approach.

#### RECOMMENDATIONS

The Executive is asked to:

1. **delegate authority to the Community Services Director, in consultation with the Executive Member for Community Services, and the Deputy Leader and Executive Member for Resources, to award the Green Waste disposal contract to the successful tenderer/s;**
2. **delegate authority to the Community Services Director, in consultation with the Executive Member for Community Services and the Deputy Leader and Executive Member for Resources, to award the HWRC Operation contract to the successful tenderer;**
3. **delegate authority to the Community Services Director, in consultation with the Executive Member for Community Services and the Deputy Leader and Executive Member for Resources, to undertake a selection process and award the HWRC redevelopment works contract to the successful tenderer/s;**

- 4. delegate authority to the Community Services Director, in consultation with the Executive Member for Community Services and the Deputy Leader and Executive Member for Resources, to undertake a selection process and award the Thorn Turn development works contract to the successful tenderer/s; and**
- 5. taking note of the mitigating measures that will be put in place to reduce the impact, approve the phased temporary closure of the Ampthill, Biggleswade and Leighton Buzzard HWRC sites as proposed in this report to allow refurbishment works to take place.**

### **Overview and Scrutiny**

2. The Sustainable Communities Overview and Scrutiny Committee received a presentation at their meeting on 13<sup>th</sup> November 2014 which gave an update on the progress to date of the Waste Procurement Strategy and outlined the direction of travel and next steps including those described within this report. The Committee supported this approach.

### **Background**

#### **Issues**

3. In March 2014 the Executive considered the Waste Procurement Strategy and approved the recommendations set out within that report which provided approval of the proposed approach to procuring waste disposal services and approval of the development of the required waste facilities by the Authority.
4. Following this approval, officers have been working to deliver the infrastructure and procure the required contracts to meet the Authority's requirements. This paper provides a progress update on the delivery of :
  - the HWRC Operational Contract,
  - the Green Waste disposal Contract,
  - the redevelopment of the HWRC sites, and
  - the development of a waste park at Thorn Turn.
5. It also seeks authority to award a number of related contracts valued in excess of £500k which in line with the Councils constitution require Executive approval.
6. The current HWRC Operational Contract and the Green Waste Disposal Contracts are due to end on 31 March 2015. New contracts are required to be in place to ensure the continued provision of these statutory services.

7. The work required to deliver the required waste facilities includes the re-modelling of the existing HWRC sites to improve throughput, access and Health and Safety as well as addressing permitting issues and the development of a new Waste Park at Thorn Turn. The Waste Park will include an HWRC to replace the site at Frenches Avenue, Dunstable which will close once the new facility at Thorn Turn is open to the public as well as a Waste Transfer Station (WTS). The provision of a WTS will provide a tipping and bulking point for residual and recyclable waste collected within the Authority area. Approval to initiate procurements for HWRC Operations and Green Waste Disposal services was given in March 2014 by Executive following adoption of The Waste Procurement Strategy and subsequently a tender process for each was initiated.
8. Approval to initiate the construction project for Improved Waste Infrastructure was given in March 2014 by Executive following adoption of The Waste Procurement Strategy. Subsequently a Designer has been appointed and concept designs have been presented to the Project Board.

### **Waste Infrastructure Delivery**

9. The Waste infrastructure is being delivered under two Projects; the Thorn Turn Waste Park Project, which includes a brand new HWRC site alongside a WTS and the HWRC Redevelopment Project which includes the remodelling of 3 existing sites.
10. Infrastructure Design and Construction form two separate and distinct phases in the delivery of the required works. An Outline Business Case was prepared and approved for both projects in June 2014 and funded the preliminary design phase (feasibility). The cost estimates from this process then informed the production of a Detailed Business Case, which is expected to be approved during for each Project in November 2014. The two Projects have now entered Developed Design and following internal approval of the final designs, planning applications are expected to be submitted early January 2015.
11. The contract for the construction of the waste park at Thorn Turn will also include an option for the delivery of a range of highways related infrastructure, the delivery of which is dependant upon the Highways contract currently being delivered by the Highways Team. Once a decision is made on the delivery of this element this may or may not be included in the construction contract.

12. The redevelopment of the HWRC sites at Ampthill, Biggleswade and Leighton Buzzard is likely to require the temporary closure of each site for a period of 4 – 6 months. The redevelopment will follow a phased approach with one site closing at a time and re-opening prior to the next site closing. During site closure residents will be diverted to alternative facilities and where feasible provision will be made locally to dispose of materials that would usually be received at the site. Priority will be given to green and residual streams.
13. Should the Executive grant delegated authority for the award of the construction contract the risk of a maximum 8 week delay between project stages is mitigated. A delay to contract award will push construction start into winter months.

### **Operational Contracts**

14. The Waste Team are currently in the process of procuring an operational Contract for the Council's four HWRCs and a separate contract for Green Waste Disposal as per the Executive approval given in March 2014.
15. Eight companies expressed an interest at the Pre Qualification Questionnaire (PQQ) stage of the HWRC procurement and following evaluation by the Project Team 5 companies have been invited to tender, with the anticipated submission deadline being mid December 2014.
16. The Green waste disposal contract is following the 'open' procurement route which negates the need for a PQQ stage. The deadline for companies wishing to submit a tender for this procurement is the 5th December 2014.
17. Based on current timescales it is anticipated the successful Contractors on both of these contracts will be selected in early January 2015. With the current contracts expiring on the 31<sup>st</sup> March 2015 this allows just over two months for the new contractors to mobilise prior to the contracts going live in April 2015.
18. Due to the tight timescales and the need to have the new Contractors in place by the 31<sup>st</sup> March 2015, it is considered prudent to seek delegated authority for the Community Services Director (in consultation with the Executive Member for Sustainable Communities) to award the HWRC Operational Contract and the Green Waste Disposal Contract to the successful tenderers to prevent any delay to the contract award timescales. If delegated authority is not granted there is a risk that the contracts will be delayed.

## **Options for consideration**

19. Delegate Authority to the Director of Community Services in consultation with the Executive Member for Community Services to award the contracts set out in this report following the required tender exercises.
20. Retain the Authority to award the contracts at Executive thereby requiring the results of each tender exercise to be presented to Executive ahead of contract award taking place.

## **Reasons for decision**

21. The Executive has previously approved the Waste Procurement Strategy at the March 2014 meeting. However, the Councils constitution states that the award of any contract with a value in excess of £500k must be subject to Executive approval. As such the recommendations set out within this report seek delegated authority to award a number of contracts.
22. Delegated Authority to award these contracts is sought to reduce the time required to award these contracts and subsequently reduce the time taken to initiate works or services.
23. The operational contracts need to start at the dates set out in this report in order to take over from existing services. As such the swift award of contract following the procurement process will facilitate the delivery of this target, enabling reasonable mobilisation periods.
24. In order to achieve timely delivery of the infrastructure elements, prevent project delays and action from the Environment Agency, the competitive tender process for the Construction phase of both Projects will run in parallel with the planning determination period. Delegated authority is sought to enable Contract award to take place immediately following the receipt of planning approval. Receipt of planning approval will not necessarily follow a fixed timeline and cannot be guaranteed to align with the Executive meeting process which could lead to significant delay to contract award and start on site .

## **Council Priorities**

25. The delivery of improved waste infrastructure in the form of the Thorn Turn Waste Park and remodelling of the existing HWRCs delivers against four of the Authority's key priorities - Great Universal Services, Improved Infrastructure, Carbon Reduction and Managing Growth Effectively for the following reasons:
  - a. Safer and easier access to HWRC facilities for all customers, particularly those of reduced mobility

- b. Reduced vehicle movements reduce the Councils Carbon footprint and contribute to the achievement of the targets as defined in the Council Carbon Management plan.
  - c. Improves relationship with local residents and confidence in CBC through improved customer experience.
  - d. Health & Safety and Environment Agency issues mitigated.
  - e. Administer increasing population.
26. The delivery of replacement HWRC Operation and Green Waste disposal contracts delivers against three of the Authority's key priorities - Great Universal Services, Carbon Reduction and Managing Growth Effectively for the following reasons:
- a. Providing the opportunity for residents of Central Bedfordshire to recycle and reuse a wider range of materials.
  - b. Continuing to provide excellent waste disposal services to Central Bedfordshire residents.
  - c. Contribute to achieving the targets defined in the Council's Carbon Management Plan.

## **Corporate Implications**

### **Legal Implications**

27. CBC 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 controlled waste collected within its administrative area. Undertaking this project will allow CBC to develop the necessary infrastructure and services to meet these duties. The redevelopment of the HWRC's and the new Dunstable HWRC facility will also enable the Authority to meet its obligations in terms of access to the sites and the regulatory standards set by the Environment Agency through the Operating Permit.
28. The selected contractors for both the infrastructure and operational contracts are being secured via open competitive tender or via an approved Framework, with the involvement of the CBC procurement team following all procurement regulations. Appropriate contracts will be put in place with each selected contractor.
29. By seeking Executive permission to award contracts with a total value in excess of £500K, the Authority's constitution is being followed.

## **Financial Implications**

30. Recommendation 1 relates to green waste disposal and is provided for within the current revenue budget, if tenders exceed the budgeted figure then the decision to let the contract will be referred back to the Executive. The contract is for a 5 plus 5 year period.
31. Recommendation 2 relates to the operation of HMWC's and is provided for within the current revenue budget, if tenders exceed the budgeted figure then the decision to let the contract will be referred back to the Executive. The contract is for 7.5 plus 7.5 year period.
32. Recommendation 3 and 4 are provided for with the current capital MTFP. The current approval is £35M but £9m has been identified within current monitoring as not needed bringing the estimated project costs down to £26M. Project costs are expected to be below this figure, however if costs are likely exceed the budgeted figure then the decision to let any contract will be referred back to the Executive.

## **Procurement**

33. The Council's Procurement Team are involved in the tender and contract award processes. A full audit trail is in place covering the entire exercise which will be kept as a record of the process for the required period.
34. The Authority will manage the delivery of the infrastructure internally under the Capital Projects Team (Assets). Detailed Design for the Tender package is expected to complete in March 2015 to align with the anticipated date of a planning decision. Concluding in June 2015, the contract will be subject to competitive tender through an existing Framework. The timeline permitted via this route will enable the completed sites to be handed over to the selected Operating contractor once both the construction and the procurement processes are complete. This strategy allows the development process to get started immediately without waiting for an operating contractor to be selected first.

## **Equalities Implications**

35. 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.
36. The improved accessibility at the HWRC will facilitate easier use by persons of reduced mobility.

## **Public Health**

37. The health and wellbeing of residents would be negatively impacted if HWRCs and Green Waste Disposal were unavailable for an extended period of time impacting on residents' ability to dispose of waste.

## **Community Safety**

38. The Councils statutory duty under section 17 of the Crime and Disorder Act 1998 includes the need to address environmental crime 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 the service were disrupted it could lead to an increase in incidents of fly tipping, a criminal offence. The recommendation ensures the Council fulfils its statutory duties in relation to crime and disorder.

## **Sustainability**

39. Sustainability has been a key consideration in the Infrastructure design and appropriate officers within CBC have been consulted throughout. Carbon reduction technologies will be incorporated within the design. Viability of Solar PV Panels on the WTS roof is being investigated. Where appropriate the latest technology will be used to reduce energy consumption. Sustainable Urban Drainage Systems will also form part of the design at Thorn Turn.
40. The operational contract for the HWRC element will seek to enhance recycling performance and divert higher levels of waste away from landfill. The contract will also seek to promote the waste hierarchy by encouraging the reuse and recycling of items where possible rather than seeking to dispose of the items that are still in good working order. Increasing the number of bins available will enable improved sorting and new waste streams will also be added.
41. Landfilling organic 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. The Green Waste Disposal contract will divert organic waste from landfill and produce a product which is spread to land as a soil improver.

## **Risk Management**

42. The Project Team have a robust risk management process in place covering all stages of the Project to ensure that risks are monitored and mitigated where possible. The procurement exercise will be run in partnership with the procurement team. The successful contractor will be appointed following a suitable standstill period.



43. By adopting the approach outlined in this report to delegate authority to award the contracts the risks of failing to achieve a timely contract award and failing to ensure the continued provision of statutory services will be mitigated.
44. Risks arising from not awarding the full contract value to the contractor to include:
  - a) Inability to progress beyond the Design/Planning Phase.
  - b) Permitting issues with the Environment Agency over site conditions at HWRC sites.
  - c) Inability of CBC to fully meet its corporate objectives – Managing Growth Effectively, Improved Infrastructure, Carbon Reduction and Great Universal Services due to failure to provide adequate Household waste facilities.
  - d) Failure to deliver a suitable replacement for existing operational contracts.
45. A principal aim of the Infrastructure Design is to improve safety for the Community. The Split level construction removes the risks associated with the public using stairs to access the bins and the segregation of operational and public areas will ensure users of the HWRC are not at risk of collision with operational vehicles. Improved traffic flow stipulated within the design seeks to eliminate the risks associated with cueing traffic and improve community safety in the vicinity of HWRCs

### **Conclusion and next Steps**

46. To enable the continued progress and delivery of the Waste Management Strategy approval is sought from the Executive to:
  - a) Undertake a tender process for the Construction of the Thorn Turn Waste Park and HWRC redevelopments and subsequently delegate authority to award the contracts set out in the recommendations of this report.
  - b) Following approval for tender and contract award for the infrastructure, Design will conclude in March 2015, the tender period will follow and conclude in June 2015. Waste Park Construction is forecast to begin in July 2015 and conclude in August 2016. HWRC re-modelling will also begin in July 2015, with each site taking approximately 4 – 6 months to complete. As only one site will be closed at a time, HWRC re-modelling is forecast to complete within 12 – 18 months of project start.

- c) Following approval of the delegated authority for the HWRC Operational Contract and Green Waste Disposal Contract, these will both be awarded in January 2015 for contracts to commence on 1 April 2015.

**Appendices**

None

**Background Papers**

None