

<b>Subject:</b>	<b>Procurement of Waste and Recycling Contract</b>		
<b>Date of Meeting:</b>	<b>11<sup>th</sup> July 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel: 29-1450</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

To obtain the agreement of Policy & Resources Committee to tender and award a new contract for the supply of commercial waste refuse, disposal and recycling services to the Brighton & Hove City Council's civic offices, social care, historic, operational and commercial buildings with the option for schools to opt into receiving such services under the new contract. Under the current contract, 60 schools have taken up the option and all schools will be presented with the tendered contract costs and details of the benefits that each individual school would derive under the new contract.

**2. RECOMMENDATIONS:**

- 2.1 That the Policy & Resources Committee grants delegated authority to the Executive Director, Finance & Resources to approve the procurement and award of a contract for the supply of commercial waste refuse disposal and recycling services to the council with a term of up to a maximum of four (4) years.

**3. CONTEXT / BACKGROUND INFORMATION**

- 3.1 The current commercial waste contract consists of the following services, general waste disposal, recycling disposal and confidential waste disposal. It was awarded in April 2008 and extended for a further 2 years in April 2013. During the contract term the separate contract for the provision of confidential waste shredding came to an end and the provision was added to the waste contract by variation order.
- 3.2 In April 2013, as part of the zero waste One Planet Living action, the incumbent contractor installed weighing equipment to all vehicles to enable accurate commercial waste and recycling data to be obtained resulting in a focussed review of the council waste production. As a

consequence, the council has been able to reduce costs by rationalising the number of bins on site and the frequency of bin lifts.

- 3.3 Also as part of the One Planet Living Food Action Plan in December 2013 a trial was put in place for the collection and disposal of food waste in 10 schools. The participating schools were fully supported by the schools catering team and provided with the educational equipment necessary to maximise the participation by the students and staff. The waste collected has been weighed and early reports indicate that the trial is producing beneficial results. Therefore, the specification for the new contract will contain requirements for similar provision of receptacles, education in operational use and collection method to that which has been used during the trial.
- 3.4 The aim of the proposed procurement is to ensure that the council has continuity of service and continues to improve the council's rates of recycling. The tender process will also test and demonstrate Value for Money. The current cost of providing the total service is £452,000 per annum (approx £1.8m over 4 years) with waste and recycling provision for schools costing £190,000 pa. The expectation is to reduce the overall cost of the service through retendering the contract.
- 3.5 Bidders for the new contract will be invited to submit a Pre-Qualification Questionnaire which will be evaluated before a selected number of bidders are invited to tender.
- 3.6 The tenders for the new contract will be evaluated on a 40% technical / quality and 60% price split. A cross-functional evaluation panel consisting of representatives from Procurement, Property & Design and Finance will evaluate the tenders according to a methodology set out in the invitation to tender and evaluation guidelines.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 It is recognised that commercial waste disposal providers operate under different legal and statutory requirements from residential waste providers. The rationalisation of the several separate commercial waste and recycling contracts in 2008 has proved to be effective, efficient and value for money. We now have the opportunity to use this model to further improve service requirements, costs and recycling rates and expand on areas of environmentally friendly waste disposal.
- 4.2 The only other option to re-tendering this corporate rationalised contract would be to separate the component elements of the services and tender them individually. This option may mean that the Council loses the benefits of economies of scale – for example salary costs might increase through the need to increase the staff resource that would be required to manage multiple contracts.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Regular consultations take place with relevant departments, schools and regional partners participating in the council commercial waste disposal and recycling model to ensure service improvements and demonstrate an effective, efficient and economically viable corporate contract.

## **6. CONCLUSION**

- 6.1 Procurement of a new commercial waste contract in accordance with this report will enable the council to continue the progress made to date with waste disposal and recycling and reduce costs while continuing to achieve value for money through efficient management processes. It is therefore recommended that the contract is re-tendered with a rationalised specification that includes sustainability innovation and the potential for food waste recycling.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The council's revenue funded corporate commercial waste disposal and recycling budget for 2014-15 provides a total service of £452,000 (£1.81M over the 4 year period). Costs of commercial waste disposal and recycling services for schools are £190,000 per annum. It is expected that reduced costs will be achieved with the rationalisation of the service and the innovations designed to reduce waste.

*Finance Officer Consulted: Rob Allen Date: 06/05/14*

### Legal Implications:

- 7.2 The tender of the contract is subject to compliance with the full application of applicable EU legislation together with the Public Contracts Regulations 2006, the Council's Contract Standing Orders and Financial Regulations.
- 7.3 Council contracts with an estimated lifetime value in excess of £500,000 must be approved by the relevant committee. Policy & Resources Committee is the appropriate body to approve property related contracts of this value.

*Lawyer Consulted: Isabella Sidoli Date: 02.06.14*

### Equalities Implications:

- 7.4 Where applicable, this contract will include the need to consider the Equality Act 2010 and address the diverse needs of staff and users of the civic offices, operational and commercial buildings.

#### Sustainability Implications:

- 7.5 Sustainability will be improved through the innovations to be introduced within the revised contract specification to achieve 85% recycling by 2017.
- 7.6 Under the One Planet Living waste principle Brighton & Hove City Council are committed to reducing waste, reusing where possible and ultimately sending zero waste to landfill.
- 7.7 As part of the new contract the number and frequency of bin collections will be reviewed to encourage waste minimisation and recycling. The roll-out of the new contract will also be supported by increased educational material and engagement.
- 7.8 The contract will maintain the current number of recyclable materials and in addition will include the potential for a food waste collection service
- 7.9 No waste is currently or will be in the future sent to landfill sites. The contract will also introduce the use of locally based biofuel generators.

#### Risk and Opportunity Management Implications:

- 7.11 The risks and opportunities are dependent on the successful procurement of the contractor and robust contract and financial management to ensure that services are delivered in a timely manner within budget.

### **Any Other Supporting Documentation**

#### **Appendices**

None

#### **Documents in Members' Rooms**

None

#### **Background Documents**

None