

Cabinet – 12 February 2020

Contracts for the treatment and final disposal of municipal waste – Public Report

Portfolio: Clean and Green – Councillor Oliver Butler

Related portfolios:

Service: Clean and Green

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 New waste contracts are required to ensure that the Council has in place appropriate arrangements for the treatment and final disposal of municipal waste.

2. Summary

- 2.1 The existing contracts started on 1 April 2016 and expire on 31 March 2020, with no further contractual option to extend. This report presents the outcomes of the procurement process.
- 2.2 The provision of nine separate Lots for Materials Processing, Treatment and Disposal Services has been re-tendered, for a period of four years to commence service delivery from 1 April 2020 until 31 March 2024 with an option to extend the initial term of these contracts for up to a further two years from 1 April 2024 to 31 March 2026.
- 2.3 The outcome of the re-tendering process in respect of general waste materials is a saving of circa £161k based on projected tonnages (circa 33.5k).

3. Recommendations

- 3.1 Following consideration of the confidential report in the private session of the agenda, that Cabinet; approve the award of the following contracts, on the basis that tenders have been submitted and evaluated in accordance with the published Invitation to Tender, Financial Regulations, Public Contracts Regulations 2015 and Contract Rules, for an initial period of four years, from 1 April 2020 until 31 March 2024, with an option to extend by up to a further two years from 1 April 2024 to 31 March 2026.

- 3.2.1 Lot 1, for the provision of street sweepings services and gully waste disposal, with a projected annual contract value of £112k (including transport), to Bidder No 3.
- 3.2.2 Lot 2, for the provision of wood waste disposal, with a projected annual contract value of £79k (including transport), to Bidder No 2.
- 3.2.3 Lot 3, for the provision of soil and rubble waste, with a projected annual contract value of £24k (including transport) per annum, to Bidder No 1.
- 3.2.4 Lot 4a, for the provision of garden waste collected from the kerbside and direct delivered, with a projected annual contract value of £304k per annum, to Bidder No 1.
- 3.2.5 Lot 4b, for the provision of Household Waste Recycling Centre collected garden waste disposal, with a projected annual contract value of £112k (including transport) per annum, to Bidder No 2.
- 3.2.6 Lot 5, for the provision of mixed municipal and domestic waste disposal, with a projected annual contract value of £109k (including transport) per annum, to Bidder No 1.
- 3.2.7 Lot 6, for the provision of ceramic waste disposal, with a projected annual contract value of £7k (including transport) per annum, to Bidder No 1.
- 3.2.8 Lot 7, for the provision of plasterboard waste disposal, with a projected annual contract value of £17k (including transport) per annum, to Bidder No 1.
- 3.2.9 That for Lot 8 (the provision of carpet waste disposal), where there was no bid, that Cabinet delegate authority to the Executive Director, Economy and Environment, in consultation with the Portfolio Holder for Clean and Green to negotiate a new contract with the incumbent contractor.
- 3.2.10 That for Lot 9 (the provision of mattress waste disposal), where there was no bid, that Cabinet delegate authority to the Executive Director, Economy and Environment, in consultation with the Portfolio Holder for Clean and Green to negotiate a new contract with the incumbent contractor.
- 3.3 That Cabinet delegate authority to the Executive Director, Economy and Environment, in consultation with the Portfolio Holder for Clean and Green to enter into contracts with successful bidders by using the most appropriate procedures and to subsequently authorise contract extensions, the sealing of deeds and/or signing of contracts and any other related documents for the provision of such services.
- 3.4 That Cabinet notes that the financial impact on the 2020/21 disposal and transport budgets is a saving of circa £161k following the re-tendering of the municipal waste contracts.

4. Report detail – know

Legislative Drivers

- 4.1 As a Unitary Authority, Walsall Council has responsibility for both waste collection and waste disposal. As a Waste Collection Authority (WCA) and Waste Disposal Authority (WDA), Walsall Council has a number of statutory obligations. These include:
- A duty under Section 45 of the Environmental Protection Act 1990 (EPA 1990) to collect household waste and, if requested, commercial waste within Walsall.
 - Responsibility under Section 48 of the EPA 1990 to arrange and provide places for the disposal of waste collected by Walsall Council within its function as a WDA.
- 4.2 The UK has a statutory target to recycle 55% of municipal waste by 2025. In 2018/19 Walsall Council achieved a figure of 40%.
- 4.3 The service is also subject to the following:
- The Controlled Waste Regulations 2012
 - GDPR 2018

Award Contract

- 4.4 A Contract Notice was placed by the Council's Procurement Service in the Official Journal of the European Union (OJEU) on 11 November 2019 for the provision of Materials Processing, Treatment and Disposal Services.
- 4.5 The Contract was split into nine Lots, as following;
- | | |
|--------|---|
| Lot 1 | Street sweepings and gully waste |
| Lot 2 | Wood |
| Lot 3 | Soil and rubble |
| Lot 4a | Garden waste collected from the kerbside and direct delivered |
| Lot 4b | Other garden waste |
| Lot 5 | Mixed municipal and domestic waste |
| Lot 6 | Ceramics |
| Lot 7 | Plasterboard |
| Lot 8 | Carpet |
| Lot 9 | Mattresses |
- 4.6 Twenty four suppliers expressed an interest for the contract opportunity through the Council's Electronic Tendering Portal (INTEND), and downloaded the invitation to tender with a return date of 10 December 2019.
- 4.7 Tenders were opened by the Head of Leisure, Culture and Operations, using a formal opening ceremony on the INTEND e-tendering portal.

4.8 A total of eight suppliers submitted 16 bids for the nine separate Lots. However, there were no bids received for Lots 8 and 9.

4.9 The bids were evaluated using a three-stage evaluation methodology and criteria, as published in the Invitation to Tender, and as set out below:

Stage 1 - Conformity Evaluation (Essential pass/fail criteria)

Stage 2 - Due Diligence (Evaluation of minimum standards)

Stage 3 - Quality and financial evaluation which were scored and weighted as follows:

- Quality 40%
- Price 60%

4.10 Tender evaluations were initially scored individually by:

- Environmental Resources Manager
- Clean and Green Procurement Manager
- Commercial Manager

A moderation meeting for the nine separate Lots was held on 6 January 2020 attended by:

- Clean and Green Service Manager – Strategy
- Environmental Resources Manager
- Clean and Green Procurement Manager
- Commercial Manager

4.11 **Lot 8 Carpet**

There was no bid received. The current contract ends on 31 March 2020 with an estimated contract value of £44k per annum for the next six years.

4.12 **Lot 9 Mattresses**

There was no bid received. The current contract ends on 31 March 2020 with an estimated contract value of £16k per annum for the next six years.

Council Corporate Plan priorities

4.13 Procuring these services will contribute to delivering the following priority as stated within the Corporate Plan 2018-21:

- Internal focus – All Council services are efficient and effective, modernising our services to meet the ever changing environment and behaviours, with the processing of municipal waste being the most economically advantageous to the Council, providing value for money and being a resilient council.

Risk management

- 4.14 Seven of the nine Lots have been awarded. There were no bids received for Lot 8 carpets and Lot 9 mattresses waste disposal. To mitigate the risk of not having contractors for these Lots, the Executive Director, Economy and Environment, in consultation with the Portfolio Holder for Clean and Green, will negotiate new contracts with the incumbent contractor, or decide on the most appropriate alternative disposal solution.

Financial implications

- 4.15 The outcome of the re-tendering process of general waste materials is a saving of £161k based on projected tonnages (circa 33.5k).

Legal implications

- 4.16 All contracts will be approved by Legal Services. The two Lots (8 and 9) where there were no bids received will have no contracts in place if, the negotiations are not concluded by 31 March 2020.

Procurement Implications/Social Value

- 4.17 The tendering of the current contracts have been undertaken with the support and advice of Legal and Procurement Teams.
- 4.18 The procurement and award processes are in accordance with the Council's Contract Rules.
- 4.19 The anticipated value of the service provision was above the current EU procurement thresholds, and the service provision was tendered in accordance with Public Contract Regulations 2015.

Property implications

- 4.20 None

Health and wellbeing implications

- 4.21 There are no direct health and wellbeing implications arising from this report. The service is considered to make a positive impact on general health and wellbeing by improving the quality of the environment within which our residents live.

Staffing implications

- 4.22 TUPE regulations may apply to these contracts. However, there are no TUPE implications from the award of this contract.

Reducing Inequalities

- 4.23 Through liaison with the Consultation and Equalities team, it is considered that an Equalities Impact Assessment is not required.

Consultation

- 4.24 The procurement of new waste disposal contracts did not require any public consultation.

5. Decide

- 5.1 The Council is statutorily required to collect and dispose of household waste so it is necessary to award these contracts for the treatment and final disposal of municipal waste with a start date immediately after the expiry of the existing contracts.

6. Respond

- 6.1 After consideration by Cabinet of this report, the approved recommendations will be implemented with further briefings provided to the Portfolio Holder for Clean and Green at appropriate timescales if necessary.

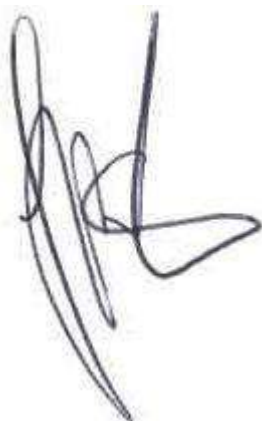
7. Review

- 7.1 There will be regular updates from Clean and Green services on contract performance and financial monitoring with Corporate Finance, the Portfolio Holder and Directorate Management Team as appropriate.

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Executive Director

12 February 2020

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Councillor Oliver Butler
Portfolio holder – Clean and Green

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