

Cabinet – 11 September 2013

Household Waste Recycling Centres, Waste Transfer Station and Haulage Contract

Portfolio: Councillor Arif - Environment

Service: Clean and Green Services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Summary

- 1.1 In April 2012 Cabinet gave approval to start the procurement process for the operation and management of Household Waste Recycling Centres (HWRC), Waste Transfer Station (WTS) and Haulage Contract. The current contract expires on 31 March 2014. The new contract will commence on 1 April 2014 for a term of seven years, with an option to extend the contract for one year, subject to performance review.
- 1.2 The closing date for tenders was 14 August 2013. Evaluation of the tenders is extremely complex, involving much technical detail and will not be completed prior to this meeting of Cabinet.
- 1.3 The new contract needs to be awarded before the next Cabinet meeting on 23 October 2013, in order to allow the successful contractor sufficient time to mobilise. There is no provision in the existing contract to allow for a further extension to accommodate a delay in the mobilisation of the new contract.
- 1.4 In order to ensure smooth transition to the new contract, Cabinet is asked to delegate authority to award the contract to the Executive Director for Neighbourhood Services, in consultation with the Portfolio Holder for Environment, as detailed in paragraph 2.1 of this report.
- 1.5 A report on the award and implications of the contract will be presented to Cabinet on 23 October 2013.

2. Recommendations

- 2.1 Cabinet delegates authority to the Executive Director for Neighbourhood Services, in consultation with the Portfolio Holder for Environment, to award the contract for the operation and management of Household Waste Recycling

Centres (HWRC), Waste Transfer Station (WTS) and Haulage, and to sign or authorise the sealing of any deeds, contracts and other related documents in relation to such works, provided that there are no adverse financial implications relative to the 2013/14 budget.

3. Report detail

- 3.1 The Council provides two HWRCs for residents to dispose of their household waste. The sites are located in Fryers Road, Leamore and Merchants Way Aldridge. The Council's WTS is also located at Fryers Road and is a key facility in the management and transport of the borough's municipal waste. Council collection vehicles tip waste at the WTS which is subsequently loaded on to articulated lorries for onward transport to final recycling and disposal points, which are too far away to direct deliver. The sites are currently managed under contract by Kier MG Ltd (formerly May Gurney Ltd) and this contract will expire, after a term of eight years, on 31 March 2014.
- 3.2 In April 2012, Cabinet gave approval to commence the procurement process for a new Household Waste Recycling Centre (HWRC), Waste Transfer Station (WTS) and Haulage Contract. The new contract is for a term of seven years with an option to extend for one further year subject to performance review.
- 3.3 Clean and Green Services appointed Enomia Consulting to support the procurement as well as working with Corporate Procurement and Legal Services.
- 3.4 The new contract is being procured in accordance with the Public Contract Regulations 2006 (as amended) and was advertised in the Official Journal of the European Union (OJEU) through a restricted tendering procedure. The procurement has been delivered through the Council's procurement portal, InTend.
- 3.5 Ten applications were received in response to the Pre-Qualification Questionnaire (PQQ) of which six were accepted to go forward to Invitation to Tender (ITT). One of the six bidders withdrew with five potential bidders remaining.
- 3.6 The closing date for the receipt of bids was 14 August 2013. Five bids were received and are being evaluated.
- 3.7 In order to give the successful tenderer time to mobilise for the new contract, the Council needs to award the contract before the next Cabinet meeting on 23 October 2013. There is no provision in the existing contract to allow for a further extension to accommodate a delay in the mobilisation of the new contract.
- 3.8 This report seeks authority to award the contract to be delegated to the Executive Director for Neighbourhood Services, in consultation with the Portfolio Holder for Environment.

4. Council priorities

- 4.1 It is anticipated that re-tendering the contract will support delivery of Council priorities by:
- i. Supporting economic development, employment and improving employability, through jobs in the contract.
 - ii. Creating safe sustainable and inclusive communities through increased recycling and environmental sustainability.

5. Risk management

- 5.1 Under the European Landfill Directive, the UK has an obligation to reduce the amount of biodegradable municipal waste sent to landfill.
- 5.2 The new contract aims to increase the amount of material captured for recycling. Currently, 15% of the materials collected for recycling are captured through the Council's HWRC.
- 5.3 The current contract expires on 31 March 2014 with no options to extend the contract. Delays in awarding the contract may cut down the mobilisation period for the new contractor. This would cause severe disruption to the domestic waste and recycling collection service.

6. Financial implications

- 6.1 Financial implications arising from award of the contract will be reported to Cabinet on 23 October 2013. This reflects the fact that, until the tender evaluation process is complete, it is not possible to advise on the cost of operating the new contract. In recognition of the possibility that the new contract will be more costly than the existing one, it is advised that the proposed delegation of authority to award the contract be restricted to circumstances in which the cost is no more than provided for in the 2013/14 budget.

7. Legal implications

- 7.1 Legal Services have been involved for the duration of the procurement process, which has been conducted in accordance with the requirements of both the Council's Contract Rules and the Public Contract Regulations 2006 (as amended).

8. Property implications

- 8.1 The contract includes the contractor's use of two HWRC and one WTS. The contractor will be able to occupy the buildings under Licence provisions, which form part of the contract. Maintenance is shared between the Council and the Contractor.

8.2 Property Services support the grant of licenses to regulate the provider's occupation of the properties.

9. Health and wellbeing implications

9.1 None arising from this report.

10. Staffing implications

10.1 The current HWRC operatives are employed by the contractor, whilst the Weighbridge Operator located at Fryers Road is employed by the Council. Therefore, there are no staffing implications for the Council arising from this report.

11. Equality implications

11.1 None arising from this report

12. Consultation

12.1 A public consultation exercise carried out at the two HWRC sites in July 2012 showed that satisfaction levels were high.

Background papers

Cabinet Report dated 4 April 2012: Contract for Household Waste Recycling Centres, Waste Transfer Station

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6 September 2013

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6 September 2013