

Officer Decision Report

Title: Interim Biowaste Contract Extensions Review – Food Waste

Date decision taken: 16th October 2019

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Local Members Affected All

Decision

To approve the extension of the following interim biowaste contracts by one year from 01 February 2020 to 31 January 2021.

	Contract Name	Supplier
01	North Food Waste	Olleco
02	South Food Waste	Agrivert Group Ltd

These will be the last available extensions under the existing contracts; the new unitary council will need to undertake new procurement exercises/alternative arrangements for the treatment of biowaste to continue meeting its statutory duties beyond January 2021.

Reasons for the decision

Buckinghamshire County Council (BCC or “the Council”) is currently the Waste Disposal Authority (WDA) for Buckinghamshire. To manage the biowaste i.e. food and green waste generated by households within the county, BCC procured interim contracts with four different suppliers during autumn 2015. The contracts commenced on 01 February 2016 and had an initial duration of two years. The contracts also included extension options of a further three years which may be used in annual instalments or part thereof. The contracts were initially extended in 2018, following a detailed review during summer/autumn 2017. Consequently,



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three of the interim contracts have a final year of extension available to the Council. The latest review, undertaken during summer 2019, concludes it is appropriate and advantageous for the Council to extend the three eligible contracts by the final year (from 01 February 2020 to 31 January 2021). The fourth contract (i.e. the North Green Waste contract) was fully extended in autumn 2018 until 31 January 2021) and did not form part of this latest review. *Please note that this Officer Decision is in relation to the extension of the North Food Waste and South Food Waste Contracts; the third contract reviewed is also being recommended for an extension via a separate Officer Decision report.* This decision will strategically align all four existing biowaste contracts to form part of future considerations.

Other options available, and their pros and cons

The Council’s relevant contract manager has confirmed that the two contracts continue to perform well. This has been an important consideration during this extension review exercise. It is not desirable to risk continuity of high-performing contracts for a short term change that may not offer better value for money (VfM). There are currently no viable short-term alternatives that can help the Council to achieve similar VfM. The recommended solution will give the Council service continuity and flexibility during the transition to unitary. It will also provide enough time for the new authority to identify and procure the most suitable option for managing biowaste beyond January 2021.

To assess whether or not an extension of the two contracts was preferable, three options were considered for the two contracts as follows:

Outline Discussion of the Contract Extension Options Available

Option	Pros	Cons
Option 1 (No extension)	None identified. This option is not being recommended.	<ol style="list-style-type: none"> 1. The Council will not be able to perform its statutory duty for food waste treatment after January 2020. This will expose the Council to unacceptable reputational and financial risks. 2. Based on the latest market assessment, there doesn’t appear to be credible alternatives that will help the Council to achieve better VfM than the existing contracts in the short-term. 3. The procurement of alternative arrangements for January 2020 onwards will place considerable demands on the Council’s officers in the run up to unitary commencement date of April 2020. This will not be a desirable situation and will not enable the Council’s officers to focus on more important priorities of achieving “safe and legal” unitary transition and consider wider future opportunities.

Option	Pros	Cons
<p>Option 2 (Partial extension)</p>	<p>1. This option will only be beneficial in the unlikely event that the new unitary council can quickly mobilise new biowaste treatment arrangements that can deliver better VfM than the existing contracts before January 2021.</p> <p>This option is not being recommended.</p>	<p>1. A partial extension lasting under 12 months means that a new procurement exercise/alternative arrangement will be needed for biowaste treatment at a critical time when the transition to unitary council status will still be ongoing. This could introduce severe service disruptions if the alternative arrangement cannot be mobilised in time or does not meet the new council's objectives.</p> <p>2. A new procurement exercise will result in additional demands on staff time, when they could have been focussing on achieving safe and legal unitary transition and developing a joined-up strategy for waste services delivery across the new unitary council.</p>
<p>Option 3 (1-year extension)</p>	<p>1. A further 1-year extension will enable the Council to continue to benefit from high-performing and VfM biowaste treatment services until the final expiry date of 31 January 2021.</p> <p>2. Will provide suitable stability and services continuity for biowaste treatment and enable the Council to achieve "safe and legal" transition to unitary status.</p> <p>3. The option avoids the need for a new procurement exercise in the months leading up to or soon after unitary commencement in April 2020. This will ensure that the Council's staff resources can be optimised for the delivery of other more urgent unitary transition activities.</p> <p>4. The one-year extension of the contracts to 31 January 2021 does not bind the new unitary council to a long-term contractual arrangement. This gives the new council suitable flexibility to review and adopt</p>	<p>None identified.</p>

Option	Pros	Cons
	<p>the most suitable biowaste treatment option going forward (as part of a wider waste management strategy).</p> <p>This is the Preferred Option being put forward for consideration and potential approval.</p>	

A one-year extension of the contracts to 31 January 2021 (i.e. Option 3) will be the most suitable option for the Council. This option will give the Council service continuity and flexibility during the transition to unitary. It will also provide enough time for the Council to identify and procure the most suitable option(s) for managing biowaste beyond January 2021.

The following recommendation is being put forward for consideration and potential approval:

It is recommended that the two interim biowaste contracts - covering the management of North Food Waste and South Food Waste - are extended by one year from 01 February 2020 to 31 January 2021.

Authority to take this decision

This decision has been delegated to an authorised officer following consultation with the Cabinet Member for Planning and Environment.

Conflicts of interest

No conflict of interest has been identified or declared.

Feedback from Consultation

Cllr Bill Chapple, BCC's Cabinet Member for Planning and Environment has been provided updates on the contract review process. The Cabinet Member supports the decision.

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose email address is given at the head of the paper.

Decision Approved

Signature 

Gurbaksh Badhan, Head of Waste Management, Transport Economy Environment

Date **16th October 2019**