

Officer Decision Report

Title:	Hardcore and Soil Contract Extension Review
Date decision taken:	28 th November 2019
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Local Members Affected	All

Decision

To approve the extension of the hardcore and soil waste management contract by two years from 01 April 2020 to 31 March 2022.

Two further annual extensions will be available after the above extension period, should the new unitary Council wish to use them.

Reasons for the decision

Buckinghamshire County Council (BCC or “the Council”) is currently the Waste Disposal Authority (WDA) for Buckinghamshire. During spring 2017, the Council began a procurement exercise for a suitably-qualified supplier to provide treatment or disposal services for hardcore and soil waste. This waste stream is primarily delivered by householders to the Council’s Household Recycling Centres (HRCs). The supplier appointed by the Council is FCC Waste Services and their solution is based on using the hardcore and soil waste as quarry backfill material for the restoration of engineered landfill cells.

The contract commenced on 06 February 2018. In relation to extensions, the contract documentation states that “*the contract period will be until 31st March 2020 with the Council reserving the right to implement four (4) further extensions of twelve (12) months or part thereof of a year. As indicated in the Contract Terms and Conditions (Section 4), a minimum notice of 3 months will be given to the appointed Supplier to indicate the expiry of the Contract. In any event, the Contract shall come to an end on 31st March 2023, unless notified otherwise in writing by the Council*”.

The options assessment undertaken during the contract review supports the extension of the contract by two years. This extension will give the Council service continuity and flexibility



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during the transition to unitary status. It will also provide suitable lead in time for the Council to identify and procure the most suitable option for managing this waste stream beyond March 2022. The relevant Council's contract manager has been consulted during this review and it has been confirmed that the current contract continues to perform at a high quality level. The contract has been performing well, negligible issues and is considered a low risk contract. Some of the positive comments about the current contract performance include:

- Efficient management of the Council vehicles are as required;
- Responsive engagement from the supplier, including prompt responses to the Council's queries;
- A recent compliance audit of the supplier's waste acceptance site during August 2019 by the Council's contract officers raised no concerns; and
- The supplier has demonstrated good contingency approaches in response to additional requests from the Council.

Other options available, and their pros and cons

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

- Option 1: No extension i.e. the contract to expire on 31 March 2020;
- Option 2: Extension of the contract by 1 year from 01 April 2020 to 31 March 2021; and
- Option 3: Extension of the contract by 2 years from 01 April 2020 to 31 March 2022.

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 hardcore and soil waste after March 2020, unless an alternative contract can be agreed before the contract expiry date. 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 value for money (VfM) than the existing contract in the short-term. 3. The procurement of alternative arrangements, which will need to be in place from April 2020, will place considerable demands on the Council's officers in the run up to the 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 to effectively consider wider future opportunities.
Option 2	1. This option will only be beneficial	1. A one-year extension means that

Option	Pros	Cons
(1-yr extension)	<p>in the unlikely event that the new unitary council can procure and mobilise a new contract that can deliver better VfM than the existing contract before April 2021. However, based on market assessment, it is unlikely that a better VfM solution will be available to the Council in the short term.</p> <p>This option is not being recommended.</p>	<p>a new procurement exercise/alternative arrangement will be needed for hardcore and soil during 2020, at a critical time when the transition to unitary council status will still be ongoing or being bedded in. 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 during 2020 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>
Option 3 (2-year extension)	<ol style="list-style-type: none"> 1. A two-year extension will enable the Council to continue to benefit from high-performing and VfM hardcore and soil waste services in the short term. 2. Will provide suitable stability and services continuity for hardcore and soil waste treatment and enable the Council to achieve "safe and legal" transition to unitary status. 3. The option avoids the need for a separate 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 unitary transition activities 4. The two-year extension of the contract to 31 March 2022 does not bind the new unitary council to a long-term contractual arrangement. This gives the new council suitable flexibility to review and adopt the most suitable treatment option going forward (as part of a wider waste management strategy). <p>This is the Preferred Option being put forward for consideration and approval.</p>	None identified.

The review team is of the view that the current contract is beneficial for the Council both in terms of helping to achieve high recycling performance and achievement of suitable VfM. The

main reason why a two-year extension is being proposed instead of the full four years available is to provide the new unitary council some flexibility to review its wider waste management strategy before deciding whether or not to utilise future extensions.

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

It is recommended that the hardcore and soil contract is extended by two years from 01 April 2020 to 31 March 2022.

Authority to take this decision

This is a delegated authorised officer decision. Consultation with the Cabinet Member for Planning and Environment has been undertaken.

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.

Background paper

Not applicable.

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.

Approved

Signature



Gurbaksh Badhan
Head of Waste Management, Transport Economy Environment

Date

28th November 2019