



Report to Leader (Environment & Climate Change portfolio)

Date of Decision:	11 November 2020
Reference Number:	EC02.20
Title:	Contract to award the waste management and treatment services of green, food, bulky and wood waste.
Relevant Councillor:	Cllr Bill Chapple , Cabinet Member for Environment and Climate Change
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Ward(s) affected:	All Wards

There is a confidential appendix to this report, which is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government (Access to Information) (Variation) Order 2006 because it contains information relating to the financial or business affairs of a particular person (including the authority holding that information).

Recommendation:

To proceed to award the contract for the waste management and treatment services of green, food, bulky and wood waste to the preferred bidder (Bidder B).

Reason for decision:

Contracting arrangements for the management of green, food, bulky and wood waste treatment, haulage and management of associated assets are required to be in place to meet business critical activities which Buckinghamshire Council currently undertakes to discharge its legal compliance duties. To note:

1. The spend value of the service contract means there is a compliance requirement related to Public Contracts Regulations 2015; and
2. The Council has a statutory duty to provide treatment arrangements for the kerbside collections and Household Recycling Centres under the Environmental Protection Act (EPA) 1990. These contracting arrangements are required to be in place to meet business critical activities.

1. Executive summary

- 1.1 The future contracting arrangements include the management, transfer and treatment of green, food, bulky and wood waste collected from kerbside collections and the nine Household Recycling Centres (HRCs) located across the county.
- 1.2 To comply with the Public Contracts Regulations 2015 (as amended), a Competitive Dialogue procedure has been undertaken and a confidential Tender Evaluation Report is attached as Appendix 1.
- 1.3 The contract term will be five years with an option to extend up to a further five years (total term up to ten years). The contract commencement date will be 1st February 2021, with options to extend up to 31st January 2031.
- 1.4 Bidder B has been selected as the preferred bidder as their solution provides value for money solutions in accordance with the published evaluation, criteria, weightings and methodology.

2. Content of report

- 2.1 The new contracting arrangement needs to be in place for the service commencement date 1st February 2021. The contract consolidates a number of waste materials and services into a single contract with a phasing approach during the contract period. The contract includes the provision of the following arrangements:
 - Food, green and bulky waste contracting arrangements to commence 1st February 2021.

- Food waste collected through kerbside collections will be treated by using anaerobic digestion treatment technology.
 - Green waste collected through kerbside collections and at the nine household recycling centres will be treated by using open air windrow composting treatment.
 - Bulky waste collected through kerbside collections and at the nine household recycling centres requires pre-treatment under this contract and then will be supplied into the Energy from Waste contract.
 - Management of High Heavens Waste Complex to transfer green, food, bulky and wood waste from the southern kerbside collections and the household recycling centres across the administrative area.
 - Wood waste from the nine household recycling centres, including any fly tipped clearances from kerbside collections will be phased in and commencing from 1st April 2022 (timing aligns to the expiry of the current household recycling centre contract). Wood waste needs to be managed and treated through recycling or recovery routes suitable for wood waste; and
 - Potential to consider other transfer points such as a Council depot located on Pembroke Road, Aylesbury.
- 2.2 The award of the contract continues to enable Buckinghamshire Council to consider future transformational opportunities for Waste Management services. The term of the contract provides flexibility to extend for up to a further five years, which continues to provide medium to long term strategic aims to be achieved. A detailed evaluation has been undertaken. For further details a confidential Tender Evaluation Report is attached as Appendix 1.

Bidder proposals

- 2.3 Buckinghamshire provides an attractive proposition to the market in terms of its geographical location to anaerobic treatment facilities and existing transport links. The Council has been source segregating food, green, bulky and wood waste for a number of years, utilising existing waste transfer points, which are key in reducing environmental impacts, including carbon emissions and enabling the most cost-effective solution to be delivered.
- 2.4 The preferred bidder (Bidder B) provides a competitive and value for money solution. Both bidders submitted acceptable proposals, with the majority of the criteria scored as either acceptable (3) or good (4). Both bidders detailed their solutions for the management of green, food, bulky and wood waste, as well as the management of the High Heavens Waste Complex. Both bidders also submitted

their proposals for their: business continuity arrangements; contract mobilisation and expiry plans; health and safety policies and approach; contract management and reporting; environmental impact plans; and arrangements for human resources, including social value. Please refer to Appendix 1 for more details.

Policy and legislative change flexibility

2.5 The direction of travel for national waste policy and legislation remains somewhat unclear, but there will be a continued requirement in future years for separate collections of food, green, bulky and wood waste. Food waste collections highly likely to become mandatory c.2022/23.

2.6 In 2019, the Government published its updated Resources and Waste Strategy, which continues to focus on waste prevention, reduction and recycling with the implementation of future changes during the term of this contract which are set out below:

- Mandatory proposal for the requirement to separately collect food c.2022/2023;
- Potential funding opportunities as part of future legislative changes for full net cost recovery for collecting and treating food waste;
- Potential funding opportunities as part of future legislative changes for recovery of packaging waste contained within food and green waste treatment (compostable packaging);
- Standard Change in Law contract drafting;
- Compliance requirements include legislative requirements specific to waste management; and
- Material and product quality improvements during the term of the contract (includes contamination).

3. Other options considered

3.1 Other options are:

- a) The 'Do nothing' option is not recommended as no contracting arrangements will be in place beyond 31st January 2021 (all current contract extensions have been utilised).
- b) The 'Do minimum' option is the preferred option. The Council has a statutory duty to provide treatment arrangements for green, food, bulky and wood waste from kerbside collections and Household Recycling Centres. The contract term

will be from the 1st February 2021 to the 31st January 2026, there is an option to extend for up to a further 5 years to 31st January 2031.

c) The 'Alternative Options' are:

- Award the alternative bid that was submitted; however, the bid was considered in both technical and financial evaluations (please see Appendix 1 for further detail) and it did not represent overall Value for Money (VfM). However, if the Council did award the contract to the alternative bidder this would not be in compliance with the published tender award criteria and would be at risk of challenge by the bidder who scored higher, therefore this is not the recommended option.
- A longer-term approach could have been considered which may have included developing further treatment infrastructure, for example open air windrow composting sites. However, this was not considered appropriate at this time due to future waste policy and legislative changes. Therefore, this is not the recommended option.

4. Financial and Legal implications

Financial implications

- 4.1 The recommended option is within the Council's approved Medium-Term Financial Plan (MTFP).
- 4.2 Service cost changes are envisaged in relation to the bulky waste shredder and repair and maintenance (R&M) costs. The Council is likely to need to invest in a new shredder as part of life cycle replacements to continue to deliver VfM.
- 4.3 The extension periods (with the exception of the first extension period), are by mutual agreement. The contract will be monitored and managed in line with the council's requirements to consider repair and maintenance costs for plant/equipment and asset management to deliver VfM. Extension periods will be considered as part of wider considerations to optimise VfM and will be monitored and reviewed as part of the Council's Medium Term Financial Plan. For further details please refer to Appendix 1.
- 4.4 There may be further optimisation to consider across collection systems albeit through kerbside and Household Recycling Centres throughout the contract period. The Council may wish to consider some opportunities to support delivery and whole system costs across both collection and treatment. For further details please refer to Appendix 1.

- 4.5 The Net Present Cost (NPC) of the Contract value over the five-year contract period for Bidder B is £10,231,901 (including Other Applicable Council costs). The NPC estimated value over a potential ten-year term would result in a contract value of £19,329,604.
- 4.6 All costs assumed include a baseline service, forecast waste volumes and contract inflation. Should the Council require additional services from time to time (additional people, containers etc) then there will be further costs. These should be monitored and reviewed as part of the Council's Medium-Term Financial Plan.
- 4.7 The preferred bidder (Bidder B) solution provides suitable contracting arrangements, enabling the Council to achieve an acceptable balance between Value for Money (VfM) and service provision throughout the term of the Contract. It's recommended that any one-off net saving would be held within the Council's agreed waste reserve to ensure the continued financial resilience for the service.

Legal implications

- 4.8 Specialist legal advice to support the project has been provided by external legal advisers, Sharpe Pritchard, alongside the Council's in-house legal adviser, who confirm:

The Council, as the waste disposal authority, has a duty under the Environmental Protection Act (EPA) 1990, to arrange for the disposal and treatment of household waste collected in its area and waste which is deposited at its household recycling centres.

The Council has conducted the procurement for the management of green, food, bulky and wood waste in accordance with the Public Contracts Regulations 2015 (as amended) ("2015 Regulations").

The contract has been drafted by Sharpe Pritchard with input from the wider Council team and some amendments agreed with bidders through clarifications. Sharpe Pritchard will work with the Council and its wider team to 'clarify, specify and optimise' the final tender of the preferred bidder as permitted under the 2015 Regulations. Sharpe Pritchard will prepare the contract documents for the Council and the contractor to execute.

- 4.9 There are no further legal implications arising specifically from this report.

5. Corporate implications

- 5.1 Corporate implications that need to be taken into account are:

a) Property

Property implications have been considered and a lease agreement including repair and maintenance obligations will be in place. Any retained responsibilities are detailed in the leases.

b) HR

Not directly for council employees, there may be indirect implications through contracted services.

c) Climate change & Sustainability

There is a requirement for the contractor to improve the environmental impact of the services provided during the contract term. The solutions align with the proximity principle, therefore reducing transportation requirements i.e. carbon, along with open air windrow composting and thermal treatment, which are beneficial in reducing emissions compared to landfill. Food waste will be treated through anaerobic digestion, which produces less carbon compared to landfill and other recovery treatment technologies.

d) Equality

There are no envisaged equality impacts or implications. An Equality Impact Assessment has been completed, please see Appendix 2.

e) Data

A Data Protection Impact Assessment (DPIA) screening questionnaire has been completed, please see Appendix 3. There are no envisaged implications.

f) Value for Money (VfM)

A fully competitive procurement process has been undertaken. The recommendation provides an acceptable balance between VfM and service provision requirements compared to alternatives. Please see the report in Appendix 1 for further details.

6. Consultation with local councillors & community boards

- 6.1 A formal consultation is not applicable, however engagement with the Cabinet Member for Environment and Climate Change has taken place and regular updates have been provided through the Environment and Climate Change Portfolio Briefings.

7. Communication, engagement & further consultation

- 7.1 The procurement process has not impacted on frontline services and the contract award is unlikely to either. Current communications and engagement activities are internally focused, including mapping and monitoring key stakeholders.
- 7.2 Awarding the contract moves the project into a public sphere, albeit without direct impact on frontline services. Once the contract has been awarded the Council will work with the preferred bidder to prepare a statement to publicly announce the contract highlighting the benefits to the Council, Contractor, local residents and environmental performance.
- 7.3 After contract award the Council will work with the preferred bidder to prepare a full communications plan covering the first year of the contract and key dates and/or events. Guidance on the above has been sought from Kim Parfitt, Head of Communications with agreement on the current approach.

8. Next steps and review

- 8.1 Following the decision being taken, the below next steps will be actioned:

Next Steps	Indicative Date
Contract Award	20 th November 2020 (Subject to contract and expiry of procurement standstill period)
Contract Mobilisation (including contract sealing)	1 st December 2020 – 31 st January 2021
Demobilisation of existing Contracts	1 st December 2020 – 31 st January 2021
Contract Commences	1 st February 2021
Contract Monitoring & Management	Ongoing
Regular review of the Contract as part of Contract Management (ongoing)	Annual health check review

9. Background papers

9.1 The following background papers are included with this report:

Appendix 1 – Confidential Tender Evaluation Report

Appendix 2 – Equality Impact Assessment

Appendix 3 – DPIA Screening Questionnaire

10. Your questions and views (for key decisions)

10.1 If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the Cabinet Member to consider, please inform the Democratic Services team. This can be done by telephone on 01296 382343 or by emailing democracy@buckinghamshire.gov.uk.