



# East Northamptonshire Council

## Policy and Resources Committee - 15 June 2009

### Waste Contract Update

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#### Summary

This report provides Members with an update on the progress of the project to procure the next waste, recycling and cleansing contract.

#### Attachment(s)

Appendix A Revised Terms of Reference for the Waste and Recycling Working Party

Appendix B Selection Criteria

Appendix C Award Criteria

Appendix D Procurement Process flow chart

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#### 1.0 Introduction

1.1 The project to procure the next waste collection, recycling and cleansing and associated services contract has commenced with meetings of the Project Team and Waste and Recycling Working Party (WRWP). The Council's next waste contract will commence in August 2011.

1.2 The procurement is being undertaken through a competitive dialogue process and the Project Team will be seeking bids on an output specification basis which will allow it to consider what may be a variety of options for the delivery of these services. The Council is being supported by the Welland Procurement Unit.

1.3 A seven year contract, with further options to extend the contract by up to seven more years (up to fourteen years in total), is being sought. An integrated service is sought with one successful contractor (if there is more than one) acting as main contractor and responsible for managing the entirety of the services.

1.4 The process is being overseen by a Project Board which includes members of the WRWP, as agreed at the meeting of the Policy and Resources Committee on 20 April 2009 (minute 469 refers). A further requirement of that Committee was the preparation of a revised set of Terms of Reference for the Working Party, these are attached at Appendix A.

#### 2.0 Progress to date

2.1 As part of the procurement process, the Council is required to publish a notice in the Official Journal of the European Union (OJEU). The notice sets out the basis upon which the Council will procure this contract and includes the key requirements of the contract. In order to meet the timetable of the procurement process it was necessary to publish the notice on 9th May 2009. As there was no Policy and Resources Committee meeting in May it was necessary to seek authority under the Urgency Procedure. This authority was obtained and the OJEU notice published.

2.2 Members of the WRWP had previously met to identify the key outcomes for the contract that would be included in the OJEU notice. In line with the priorities for waste collection, recycling and cleansing as set out in the Council Corporate Plan it was agreed that the OJEU notice would be framed around these principles:

- Increasing recycling in line with or above the targets set out in the

Northamptonshire Joint Municipal Waste Strategy (NJMWS).

- A weekly collection of kitchen waste either separately or with residual waste.
- Reduction of waste taken to landfill in line with or below the NJMWS targets.
- Clean streets in line with targets set against the National Indicator 195.

### 3.0 Key next steps

- 3.1 The OJEU notice and accompanying documentation effectively sets out the basis upon which potential contractors are expected to make their interest known to the Council. Once these submissions have been made it will be necessary to limit the number who will then be invited to tender. The objective criteria, as agreed by the WRWP, for choosing the limited number of candidates are set out in Appendix B.
- 3.2 The next stage will involve the competitive dialogue process with the 'shortlisted' bidders followed by the drafting of tender documents. It is intended to report to the Policy and Resources Committee when the tender documents have been prepared and prior to their dispatch.
- 3.3 Upon the return of the tenders these will be evaluated against the 'award criteria', as agreed by the WRWP and as set out in Appendix C and again a report will be made to the Policy and Resources Committee with a recommendation on the award of the contract.
- 3.4 With the exception of the reports identified in points 3.2 and 3.3 of the management of this process will be overseen by the Project Board (WRWP) and their terms of reference have been drafted to reflect this. A flow chart showing the key stages of the procurement process together with an indicative timeline is shown in Appendix D.

### 4.0 Recommendations

- 4.1 Members are recommended to endorse the proposed actions as set out in this report.
- 4.2 Members are recommended to approve the revised terms of reference and delegation for the WRWP as set out in Appendix A.

<b>Implications:</b>		
<b>Corporate Outcomes or Other Policy/Priority/Strategy</b>		
Good Quality of Life	<input checked="" type="checkbox"/>	Good Reputation <input type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/>	High Quality Service Delivery <input checked="" type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/>	Strong Community Leadership <input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/>	Knowledge of our Customers and Communities <input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours		<input type="checkbox"/>
<b>Other:</b>		<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval		<input type="checkbox"/>
<b>Financial</b>	There are no financial implications at this stage	<input checked="" type="checkbox"/>
	There will be financial implications – see paragraph	<input type="checkbox"/>
	There is provision within existing budget	<input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date	<input checked="" type="checkbox"/>
	Decisions may have potential for income generation	<input type="checkbox"/>
<b>Risk Management</b>	An assessment has been carried out and there are no material risks	<input type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - 516 inherent risk score - contingency residual risk score - contingency	<input checked="" type="checkbox"/>
<b>Staff</b>	There are no additional staffing implications	<input type="checkbox"/>
	Additional staff will be required – see paragraph	<input checked="" type="checkbox"/>

<b>Equalities and Human Rights</b>	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications <input checked="" type="checkbox"/>				
	There will be an impact on equality (see categories above) or human rights implications – see paragraph <input type="checkbox"/>				
<b>Legal</b>	Power: The Public Contract Regulations 2006				
	Other considerations: Financial Procurement Rules				
<b>Background Papers:</b> None					
<b>Person Originating Report:</b> Mike Deacon, Head of Environmental Services, 01832 742060					
<b>Date:</b> 20 May 2009					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 19)

**DRAFT TERMS OF REFERENCE for approval by P&R Committee 15 June 2009**

**Waste and Recycling Working Party**

1.0 The Waste and Recycling Working Party is a working party comprising 10 members of the Council established by (but not confined to members of) the Policy and Resources Committee to consider waste management arrangements in East Northamptonshire. The formation of the Working Party recognises

- the importance and complexity of waste management and recycling matters,
- the requirement for in-depth examination of waste and recycling arrangements;
- the need to renew the waste management contract in August 2011, and
- the need for effective partnership working in Northamptonshire on waste issues.

2.0 In particular, the Working Party will

- review the Council's priorities for waste collection and recycling in East Northamptonshire;
- consider the implications of the Landfill Allowance Trading Scheme for East Northamptonshire;
- consider and prepare a response to the Joint Waste Management Strategy for Northamptonshire;
- consider arrangements for the introduction of kitchen waste collection;
- examine the options for recycling centres;
- act as the Project Board in relation to the renewal of the waste management contract, and;
- consider any other issues in respect of waste and recycling that are of relevance to the District;

and make recommendations to the Policy and Resources Committee for consideration.

3.0 In acting as the Project Board in respect of the renewal of the waste management contract, the Working Party is delegated by the Policy and Resources Committee to

- determine the tender evaluation process, operating within the Council's Financial Regulations, Procurement Procedures and relevant European Union requirements;
- agree the shortlist of bidders following a pre-qualification process;
- consider the outcomes of the competitive dialogue;
- consider and approve the draft tender documents;
- contribute to the tender evaluation process;
- identify a preferred contractor, and
- make a recommendation to the Policy and Resources Committee for approval on the award of the contract commencing 1 August 2011.

4.0 The Working Party will also

- keep abreast of waste management developments and trends both in Northamptonshire and nationally (through DEFRA) and inform and advise the Policy and Resources Committee and the Council through the minutes of its meetings;
  - encourage and foster continual dialogue with Northamptonshire County Council in the spirit of partnership working.
- 5.0 The Terms of Reference of the Working Party will be reviewed at the meeting of the Policy and Resources Committee in June 2011.

## Appendix B

<b>Potential criteria for the procurement of the Waste and Street Cleaning service for ENC</b>			
<b>Selection criteria</b>			
These are the criteria used to select short-listed bidders from the Pre-Qualification Questionnaires (PQQs)	Percentage of total	Percentage of sub section	
<b>General Information</b>	<b>5.00%</b>		
General company information, registrations/policies		5.00%	
Company guarantee / performance bond		20.00%	
Directors disqualifications etc		5.00%	
Company history and strategy		50.00%	
Company organisation / staff turnover		20.00%	
		100.00%	
<b>Financial information</b>	<b>25.00%</b>		
Liquidity *		30.00%	Disqualification
Asset base		25.00%	
Profitability		20.00%	
Turnover		25.00%	
		100.00%	
<b>Experience and capability</b>	<b>35.00%</b>		
Case studies		50.00%	
Key personnel		30.00%	
Risk assessments		20.00%	
		100.00%	
<b>Health and safety</b>	<b>20.00%</b>		
Chain of accountability		10.00%	
Audits		5.00%	
Investigations and prosecutions		15.00%	
Prohibition and improvement notices		15.00%	
Training of staff		5.00%	
RIDDOR statistics		20.00%	
PPE details		5.00%	
Vetting/selection of subcontractors		15.00%	
Safety awards		10.00%	
		100.00%	
<b>Environmental</b>	<b>5.00%</b>		

## Appendix B

Strategy, policy and management arrangements		5.00%	
Environmental performance management		10.00%	
Certifications		5.00%	
Breaches of legislation		10.00%	
Use of recyclable/reusable materials/waste minimisation		25.00%	
Disposal of recyclates		35.00%	
Carbon footprint reduction		10.00%	
		<i>100.00%</i>	
<b>References</b>	<b>0.00%</b>	Part of tender evaluation	
<b>Disputes *</b>	<b>0.00%</b>	Disqualification	
Terminations, failures and disputes			
Legal action			
<b>Quality assurance</b>	<b>5.00%</b>		
Accreditation		40.00%	
Monitoring process		30.00%	
Details of major subcontractors and QA arrangements		30.00%	
		<i>100.00%</i>	
<b>Insurance *</b>	<b>5.00%</b>		
Public liability		<i>100.00%</i>	Disqualification
Employers liability			
Professional indemnity			
<b>Legal compliance *</b>	<b>0.00%</b>	Disqualification	
Discrimination/Reg 23			
<b>GRAND TOTAL</b>	<b>100.00%</b>		

\* unsatisfactory responses to any of these questions may lead to disqualification.

<b>Potential criteria for the procurement of the Waste and Street Cleaning service for ENC</b>	
<b>Award Criteria</b>	
These are the criteria used to score all the activities after short-listing, and to award the contract	Percentage of total
<b>Price and value for money</b>	<b>50.00%</b>
<b>Method, service and quality</b>	<b>30.00%</b>
<b>References</b>	<b>5.00%</b>
<b>Sustainability</b>	<b>5.00%</b>
<b>Updated financial stability</b>	<b>10.00%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>



Appendix D

Key Dates

April 2009

OJEU Notice  
Published 9  
May 2009

PQQ Issued from 15  
May – 12 June 2009  
Closing date for  
completed PQQ's 19  
June 2009

PQQ selection  
process from 26  
June 2009 – 13  
July 2009

Competitive  
dialogue process  
from 27 July 2009  
– 31 May 2010

Tender process  
from 31 July 2010  
– 31 March 2011  
(includes award  
decision at 15 Jan  
2011)

From 1 March  
2011 – 11 March  
2011

Award of contract  
– 31 March 2011

