



Policy and Resources Committee - 9th October 2017

Waste and Cleansing Contract Procurement Update

Purpose of report

This report provides an update on the work of the Waste Project Board and seeks Committee approval of the proposed waste and recycling collection service procurement option.

1.0 Background

- 1.1 The Waste Project Board (WPB) was formed in early 2016, to define the scope, specification and method of procurement of the next Waste and Cleansing contract. This contract is the largest that the Council awards. It covers the waste and recycling collection services, street cleansing and ancillary services and is due to expire in July 2018. The Board comprises Councillors Lewis, North, Jenney(B), Boto and Glithero supplemented by the Head of Environmental Services, Waste Manager and the Chief Executive. The Board has met regularly since then. Its first objective was to establish the specification of what the service would look like, this was reported to and agreed by the January meeting of this Committee. The Board then moved into considering how the service will be provided together with how it will be procured.

2.0 Current arrangements

- 2.1 The most significant element of the waste and cleansing contract is the collection of household waste and recycling. The specification approved at the January Policy and Resources Committee is based on the current position i.e.:
- Residual waste – fortnightly collection- 180litre wheeled bin
 - Dry recycling- fortnightly co-mingled collection- 240 litre wheeled bin
 - Food waste – weekly collection- 10 litre bin and caddy
 - Garden waste- fortnightly collection (subscription based) 240 litre wheeled bin
- 2.2 This arrangement was developed as part of the procurement of the last contract at the time involved input from a Member led project team and public consultation. The Members on the current Board have taken this into consideration together with a wish to maintain stability, consistency and simplicity of the service for the residents of East Northamptonshire. Members also acknowledge the high customer satisfaction levels the service enjoys and the fact that the Council undertook significant change in its collection arrangements when introducing the current contract.
- 2.3 As the current collection arrangements have already been considered against the requirements of The Waste (England and Wales) Regulations 2011 and the subsequent amendment of 2012. These require waste collection authorities to take all reasonable measures to apply the waste hierarchy and to provide separate collections of paper, plastic metal and glass where it is technically, environmentally and economically practicable. While there are no intended changes to the collection methodology, and the economic factors do not significantly change there will be no requirement to review the collections under this legislation.

3.0 Important issues to consider

- 3.1 The WPB is aware of the ongoing work that is taking place across Northamptonshire

on the harmonisation of collection arrangements. This work has recognised the current ENC arrangements as good practice i.e. reducing capacity for non recyclable waste, unlimited capacity for recycling, separate food waste collection and a subscription based garden waste collection service.

- 3.2 The WPB have also considered the alternative arrangements that are being discussed as part of the 'harmonisation project', which include smaller bins, less frequent collections and free garden waste collection services.
- 3.3 The WPB are keen to highlight in this update that this stage of the project process is about consideration of recommendations from the WPB on how we deliver the service. The WPB have considered a range of options including:
- * a market procured contracted out service,
 - * a shared service with other Councils,
 - * the setting up of an arms length vehicle,
 - * extending the current contract or
 - * bringing the service back in house.
- 3.4 After careful consideration the WPB initially reduced the range of options to extending the current contract, setting up an arms length company or through a market procurement of a contracted out service.
- 3.5 The current service provider, Kier, submitted a proposal for the extension of the service, the terms under which they would consider an extension and the indicative future cost of providing the service. The Council sought legal opinion on the proposal and whether it would satisfy the Public Contract Regulations. We have been advised that it would not and to progress this option on the terms stated would expose the Council to legal challenge. It has therefore been discounted.

4.0 Commissioning options review

- 4.1 The three remaining commissioning options have been assessed with reference to both cost and a range of qualitative criteria. This assessment has been independently 'sense checked' by external advisors and experts in the waste industry, Eunomia, to provide Members with assurance over the process and outcomes. Eunomia ensured that the model prepared by officers and considered by the WPB was complete, robust and based on sensible assumptions. They also considered the fit between the Council's priorities and the characteristics of the options.
- 4.2 Through this process and subsequent consideration by the WPB there is a clear preference for the procurement option. This option has a lower risk attached to its outcome compared with the other options and is comparable in terms of cost in the context of the overall cost of the service.
- 4.3 The recommendation of the WPB is therefore to commence a market procurement exercise to secure the provider of waste services from August 2018. Subject to the endorsement by this committee of this recommendation the process will now require consideration of the suite of tender documentation by the WPB and commencement of the tender advertisement process. Further updates will be provided to this committee as the project proceeds.

5.0 Equality and Diversity Implications

- 5.1 This report, and its accompanying recommendations, does not propose to make any significant changes to the specification of the waste and recycling collection and cleansing service. As such an equality impact assessment further to that undertaken at the time of the service implementation has not been carried out.

6.0 Legal Implications

6.1 At this stage of the procurement process, apart from that highlighted in section 3.5, there are no legal implications around the recommendations as set out.

7.0 Risk Management

7.1 The WPB is maintaining a project risk register.

7.2 The recommendations as set out will not change the Council position on compliance with The Waste (England and Wales) Regulations 2012 as any updates to the service will include a full compliance analysis to ensure that any collections methods move waste up the waste hierarchy and that this method remains the most economically viable approach.

7.3 The following risks are captured on the risk register which relate to the provision of refuse and recycling collection services.

- Failure to protect environmental quality in open spaces
- Inefficient or unsatisfactory waste collection service
- Excess contamination in the co-mingled recyclables

8.0 Resource and Financial Implications

8.1 There are no immediate financial or resource implications associated with this report or its recommendations. However this is the first stage in a procurement process which is likely to have financial implications for the Council and these will be addressed in future updates to the Committee. There is an anticipated increase in the cost of providing these services and this has been factored into the Council MTFP although the implications will not be fully understood until the conclusion of any procurement process.

9.0 Constitutional Implications

9.1 There are no immediate constitutional implications for the Council arising from this report or its recommendations

10.0 Implications for our Customers

10.1 There are no immediate customer service implications for the Council arising from this report or its recommendations

11.0 Corporate Outcomes

11.1 The recommended decision helps deliver the following corporate outcomes:

- Good Quality of Life – the procurement of an effective waste collection and cleansing service will contribute to a clean and vibrant environment
- Good Value for Money – the procurement of the next waste collection and cleansing solution will be founded on the principle of obtaining an effective service which provides good value for money
- Effective Management – this update demonstrates the effective working between officers and Councillors through the WPB

12.0 Recommendation

12.1 The Committee is recommended to

1. Accept the recommendation of the Waste Project Board that the provision of the next waste collection and cleansing contract is based on a market procurement exercise.
Reason: to ensure the continued provision of a waste service within the resource and risk profile of the Council.

Legal	Power: Environmental Protection Act 1990				
	Other considerations:				
Background Papers:					
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