

Not for publication

The appendix to this report contains exempt information contained in Paragraph 3 of 12A of the Local Government Act 1972 (information relating to the financial and business affairs of the Council)

Report to: **South Hams Executive**
Date: **14 June 2018**
Title: **Waste & Recycling Haulage Contract Award**
Portfolio Area: **Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee: n/a

Urgent Decision: **N** Approval and clearance obtained: **Y**

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Recommendations:

1. That the Executive approves the decision to award the contract for Municipal Waste Haulage to the highest scoring bidder (Bidder A) as outlined in the Part II Contract Award Report.
2. Any minor changes considered necessary to the terms as highlighted are delegated to the Commissioning Manager (Waste) in consultation with the Lead Executive Member for Commercial Services.

1. **Executive summary**

- 1.1. The current contract for the provision of haulage services of household recycling to a reprocessor and residual household waste to a disposal site (energy from waste plant) is at its end and has exhausted its possible extension periods. Therefore in order to comply with Public Contract Regulations 2015 the award of a new contract is required.
- 1.2. Following a competitive open procurement process Bidder A has been evaluated to have provided the most economically advantageous tender for the provision of Mixed Municipal Waste Haulage Services.

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- 1.3. This report proposes that the Executive approve the decision to award the contract for the above mentioned services to Bidder A. The Part II Contract Award Report provides detail regarding the process used and how submissions were evaluated and scored.
- 1.4. Provided the decision is approved by the Executive, the Commissioning Manager will move forward with arranging for contract sealing and mobilisation with the target of the new contract being operational on Monday 23rd July 2018.
- 1.5. Failure to award the contract could result in the Council being non-compliant with the Public Contracts Regulations 2015 as the current contract has exhausted its possible extension periods.

2. Background

- 2.1. The contract for the provision of Municipal Solid Waste and Recycling Haulage Services from the Council's Torr Quarry Waste Transfer Station was last tendered in early 2015.
- 2.2. The contract covers the haulage of mixed municipal (grey bin) waste to Plymouth Energy from Waste Plant and the haulage of paper & cardboard (blue sacks) and plastics and metals (clear sacks) to Printwaste Material Recovery Facility (MRF) in Cheltenham. The Council will remain responsible for the loading of the vehicles used for haulage and the operation of the weighbridge.
- 2.3. As haulage rates can vary significantly as a result of fuel prices and delivery sites such contracts are re-procured every 2-3 years.
- 2.4. The estimated whole life value of the contract exceeded the OJEU threshold and therefore required a procurement process in line with the Public Contracts Regulations 2015.
- 2.5. On 11th April an Invitation to Tender (ITT) for these services was issued in order to secure submissions for future service provision.
- 2.6. The contract period has been set for one year with the ability to extend for a further two periods of one year each. This allows for any changes to services that may affect haulage of waste that may occur in the next three year period.

3. Outcomes/outputs

- 3.1. On 14th May the Council received 3 submissions in response to the ITT that were of satisfactory quality to allow for sufficient competition.
- 3.2. All submissions were evaluated in line with the criteria in 5.1 of Part II Contract Award Report and as set out in the tender documents.
- 3.3. Following moderation of evaluation scores the submissions were ranked in terms of highest score and can be seen in 5.4 of Part II Contract Award Report.
- 3.4. As part of the procurement it was ensured that council values around health, safety and environment were detailed in the specification and included as part of the evaluation.
- 3.5. Bidder A was evaluated to have provided the most economically advantageous tender and the submission provided confidence that the contractor is capable of delivering the service to, and exceeding, the specification.

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4. Options available and consideration of risk

- 4.1. The existing contract must now be replaced as there are no remaining extension periods.
- 4.2. If the Council chose not to award at this time it would result in the Council being non-compliant with the Public Contracts Regulations 2015. There is also no guarantee that, if the procurement process were to be repeated, good quality bids allowing competition would be received.
- 4.3. It was ensured that operational staff based at Torr Quarry Waste Transfer Station were consulted regarding aspects of the procurement documents to ensure that they were deliverable and realistic.

5. Proposed Way Forward

- 5.1. It is proposed that the Executive approves the award of the contract to Bidder A for the provision of these services.
- 5.2. Awarding at this time with the chosen contract term allows the Council to continue to deliver its statutory waste services while also allowing for variability that could occur as a result of the ongoing Frontline Services procurement exercise.
- 5.3. This procurement ties in with the 'Environment' corporate priority by ensuring that we continue to manage municipal waste correctly and lawfully by entering into a contract with a responsible and experienced waste haulier so that the recycling and waste reaches its end destination without damaging the environment.
- 5.4. Project risks and applicable mitigations are stated in section 6 of Part II Contract Award Report.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	As the contract to be awarded falls within scope of Public Contracts Regulations 2015 (PCR 2015), it must be awarded in full compliance with the same. Officers must make sure that the Council is in full compliance of PCR 2015 and all applicable laws.
Financial	Y	Costs of the contract and how this was evaluated are outlined in 5.3 in Part II Contract Award Report. Awarding the new contract is expected to cost an additional £45,000 a year. This is primarily as a result of inflation since the contract was last awarded and presents very good value for money (following comparison with other submissions for this contract). In addition, this figure is based on current recycling and waste tonnages, if these tonnages fluctuate this will affect the overall cost of the contract.

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		As there are no changes to the existing waste collection regime planned for the contract term it is highly unlikely that the recycling and waste tonnages will fluctuate significantly.
Risk	Y	Risks related to this procurement are outlined in section 6 of Part II Contract Award Report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	n/a
Safeguarding	N	n/a
Community Safety, Crime and Disorder	N	n/a
Health, Safety and Wellbeing	Y	As part of their submissions bidders were asked to self-certify that they had an appropriate Health & Safety Policy in place and were evaluated on a number of method statements relating to health, safety and environment. These method statements formed over a third of the quality score weighting.
Other implications	N	

Supporting Information

Appendices:

Part II – Contract Award Report.