

REPORT TO: CABINET

DATE: 13 SEPTEMBER 2018

TITLE: AWARD OF CONTRACT FOR DOMESTIC WASTE AND RECYCLING COLLECTION SERVICES

PORTFOLIO HOLDERS: COUNCILLOR MARK INGALL, LEADER OF THE COUNCIL
COUNCILLOR DANNY PURTON, PORTFOLIO HOLDER FOR ENVIRONMENT

LEAD OFFICERS: SENIOR MANAGEMENT BOARD, (01279) 446004

This is a Key Decision

It is on the Forward Plan as Decision Number I009243

Call-in Procedures may apply

This decision will affect no ward specifically.

RECOMMENDED that:

- A** The most economically advantageous tender for the contract for the Provision of Domestic Waste and Recycling Collection and Allied Services submitted by Bidder A is accepted, subject to formal contract.
- B** Delegated authority is given to the Managing Director, in consultation with the Leader of the Council, to make the necessary contractual arrangements.

REASON FOR DECISION

- A** Domestic waste collection is a statutory function currently carried out by an external service provider under contract to the Council. The contract expires at the end of March 2019. Awarding the contract now will allow time for mobilisation including implementation of ICT systems and procurement of a vehicle fleet so that the Council is able to continue to provide the service beyond that date.

BACKGROUND

1. An open procurement process was undertaken for a ten year contract to provide services which conformed to the Council's specification. Bids were assessed on a 70 percent cost and 30 percent quality basis. The process required bidders to submit 10 comprehensive method statements as set out in Appendix A to detail proposals for service delivery.

2. Three expressions of interest, all from competent contractors were received. One withdrew from the process without submitting a bid and two bids which in all respects met, and in many respects exceeded, the Council's requirements, were received by the deadline for the return of tenders.

ISSUES/PROPOSALS

3. Both bids proposed services that retain the essential core elements of the current service provision: alternate weekly collection of residual and mixed dry recycling streams, using similar containers and methodology, with provision for charged-for bookable bulky household item collection and free-of-charge hygiene waste collection in qualifying cases. Notably the collection of food waste from communal bins (from flat blocks) did not form part of the services required.
4. Over the last five years grant funding has allowed for a separate food waste collection from properties with communal bins. This funding stream has now expired. The short waste collection cycle used to service communal properties will limit retention of putrescible waste and will simplify the service offer for residents.
5. The bidders' proposals to work with organisations from the third sector in service delivery were assessed as part of the quality assessment. Both bidders made proposals which would see suitable materials from the bulky household waste stream diverted to a third sector organisation and would simplify access to services for Harlow residents.
6. Both bids offered modern ICT solutions that would allow collection of comprehensive service performance data, with communication in near real-time between front line service provision in the field and customer interface, and interaction between Council systems and the contractor's management system. This would mean for example:
 - a) That Officers would be able to see progress on collection rounds;
 - b) Vehicle crews could report a problem with a planned collection electronically as it happened, and upload photographs if required; and
 - c) Supervisors could update crews with new instructions as issues arose.
7. Such solutions should allow the Council to deal far more quickly and easily with customer enquiries, and further development by the Council of a range of electronic self-service options such as booking bulky waste collections, reporting missed bins, and getting localised information about service issues, such as delays caused by icy weather.
8. Better access to management data allows contractors to regularly review operations to ensure that optimum use is made of vehicles and human resources, which helps to minimise carbon impact and overall cost.

9. Bidders were required to propose arrangements for a new opt-in subscription garden waste service to operate from 1 April 2020, to be based on fortnightly collections from wheelie bins, or sacks where wheelie bins could not be used. This would eliminate the currently available ad-hoc sack based collection which is inefficient and costly to operate. It is hoped that increased efficiency will enable the Council to reduce the charge for a wheelie-bin based service so that it is more accessible and will attract significantly more customers.
10. The markets for the materials separated by materials recycling facilities from municipal mixed dry recyclate have been volatile in recent years. Sale values or disposal costs are strongly affected by fluctuations in the cost of virgin raw materials as well as the international regulatory environment. The procurement process required the handling costs for mixed dry recyclate to be priced per tonne and the price to be reviewed annually with inflation as for core contract costs. However, indexes of the sale prices or disposal costs of recycled commodities are used to determine the appropriate cost or value of the mixed recyclate stream. Indices and the composition of the mixed dry recyclate are to be reviewed at six monthly intervals, and so this element of the contract price will be subject to fluctuation.
11. The effect of any increase or decrease in the value or disposal cost for mixed dry recyclate is to be shared equally with the contractor. This ensures that neither party is exposed to the entire risk of any market fluctuations.
12. The outcome of evaluation of the bids received is shown below. Further information on bids is contained in confidential Appendix B.

Table 1 – Cost and Quality Scores for Tenders

| Bidder | Score | | |
|--------|-------|---------|-------|
| | Cost | Quality | Total |
| A | 70 | 25.20 | 95.20 |
| B | 69.49 | 22.00 | 91.49 |

13. The bid submitted by bidder A clearly and consistently demonstrated a pragmatic, thoroughgoing approach to all aspects of the Council's requirements, in accord with the proposals agreed by Cabinet on 23 March 2017 including service resilience in the case of foreseeable circumstances, which was specifically adapted to local circumstances, showing across all method statements how the resources that the organisation could bring to bear would be used in practice in Harlow.
14. It is proposed that the tender submitted by Bidder A is accepted as the most economically advantageous tender for the contract for the provision of Domestic Waste and Recycling Collection and Allied Services.

IMPLICATIONS

Place (Includes Sustainability)

As contained within the report.

Author: Jane Greer, Head of Community Wellbeing, on behalf of Graeme Bloomer, Head of Place

Finance (Includes ICT)

The tender price is effective from April 2019 and any budgetary implications will be dealt with as part of the 2019/20 budget process. Currently it is anticipated that the contract costs will be accommodated within the existing budgetary provision for domestic refuse and recycling.

Author: Simon Freeman, Head of Finance

Housing

None specific.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

The process for awarding this important contract is lawful, according with EU legislative requirements and the Council's contract standing order processes. The assessment method has identified the most economically advantageous tender and awarding accordingly protects the Council from potential challenge.

Author: Colleen O'Boyle, Interim Head of Governance

Appendices

Appendix A – Method Statements

Appendix B (Confidential) – Additional Information Regarding Bids

Background Papers

Procurement of Domestic Waste and Recycling Services: Report to Cabinet 23
March 2017.

Glossary of terms/abbreviations used

ICT – Information and Communication Technology