

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

REPORT TO CABINET

Date: March 2014

Title: Commercial Waste Management for Keele University

Submitted by: T Nicoll

Portfolio: Environment and Recycling

Ward(s) affected: All

Purpose of the Report

- To highlight the opportunity for tendering for a medium sized recycling and waste management contract.
- To agree an approval process for tendering for the contract.
- To outline the benefits of tendering and operating this recycling and waste management contract.

Recommendations

- That the Cabinet agrees with the submission of a tender and authorises Officers to enter into a contract if the Councils bid is successful.
- That subject to the above, Cabinet delegates the authority to finalise the tender for the contract, agree the necessary up front funding requirements and enter into a contract with Keele University to the Executive Director (Operational Service) after consultation with the Executive Director (Resources and Support Services), the Monitoring Officer, Cabinet Portfolio Holder - Finance and Resources and Cabinet Portfolio Holder - Environment and Recycling.

Reasons

- To offer one of the Councils leading partners a value for money service that fulfils Keele University's environmental requirements.
- To provide the Council with a medium term contract to compliment its Councils Recycling and Fleet Services.
- To assist the Council in offering a competitive Borough wide trade waste recycling collection service.

1. **Background**

Keele University is currently undertaking a procurement exercise for the complete management of its waste management service. The University's strategic objective is to improve and implement an efficient, cost effective and environmentally sustainable waste management system as far as practicably possible. The reduction, re-use, recycling and

recovery of waste, in accordance with the waste hierarchy, are key elements of achieving this sustainability, and the University wishes to work in partnership with the successful tenderer to achieve increasing levels of re-use and recycling through appropriate collection mechanisms and effective choice of disposal routes.

Within this objective the University also requires the ability to: deliver value for money to all service users, set and deliver targets, provide management data and provide maximum value for money.

The University has previously let waste collection contracts against three separate lots; however this tender is for a complete waste service and as such all tenderers must offer options for all services as follows:

	Estimated Annual Value
General waste including;(Residual, recyclates, food, bulky white goods	£200 – 250K
Skip Collection	£40K
Confidential waste	£20K

The University will award a single Contract covering the waste streams listed. This tender is being conducted in accordance with the EU Public Procurement Legislation as set out in The Public Contracts Regulations 2006 (SI 2006 No.5) and is following the 'Restricted Procedure'.

It is envisaged that the Contract will be awarded, subject to change, on 1st June 2014 and will commence on 1st August 2014, continuing for a period of three years, subject to satisfactory supplier performance as determined by the University, plus the option to extend for up to a further three years, again subject to satisfactory supplier performance as determined by the University.

2 **Issues**

The Council has operated a successful commercial waste service for a number of years, including undertaking the commercial waste collections for Keele University until 2010.

Over the last few years the waste sector has moved on considerably with a change of focus from traditional waste management to resource recovery via recycling or energy production from incineration or anaerobic digestion.

If the Council was successful with this tender it would assist it to roll out a borough wide trade waste recycling service.

As the Council does not regularly enter into formal contracts as the suppliers, the Councils approval processes do not easily lend themselves to approving such items in a timescale that fits with the tenders process. To ensure that this does not stop the Council tendering for this work a specific process has been detailed within this paper.

3 **Proposal**

It is proposed that the Council submits a tender to undertake Keele University's Commercial Waste Management Service as detailed in the tender documents. The tender response would be developed by the Recycling and Fleet Services with the support of the Finance, Risk and Procurement officers. The tender should look to undertake as much as possible of the service within current resources or via our current contractors for collection, transportation and treatment. We will develop our tender as far as possible following a partnership approach with Keele University that shares both the risk and reward between both parties.

To ensure that we can submit the tender within the procurement table, it is requested the Cabinet delegates the authority to tender for this service and enter into the contract with Keele University to the Executive Director (Operational Service) after consultation with the Executive Director (Resources and Support Services), the Monitoring Officer, Cabinet Portfolio Holder - Finance and Resources and Cabinet Portfolio Holder - Environment and Recycling.

4 Outcomes Linked to Corporate Priorities

The proposals relate to the effective delivery of high quality collection and treatment arrangements for recycling and waste, which would contribute to the following:

A clean, safe and sustainable borough

- The negative impacts that the Council, residents and local businesses have on the environment will have reduced
- Our streets and open spaces will be clean, clear and tidy

A co-operative Council delivering high quality, community driven, services.

- High performing services will be delivered for all residents and customers.

5 Legal and Statutory Implications

The Environmental Protection Act 1990 required the Council as a Waste Collection Authority to provide trade collection services if requested.

Local Government Act 2003 Sections 93 and 95, gives local authorities the powers to charge and trade for discretionary services.

Additional legal advice is currently being sort from Walker Morris LLP, regarding trading of waste services within local government.

6 Equality Impact Assessment

During the development of the tender a full equality impact assessment will be undertaken.

7 Financial and Resource Implications

During the tendering process officers from the Recycling and Fleet Service with the support of officers within the Finance Department will develop a costing model to ensure that the Council is not exposed to a financial risk. If we are successful in winning the contract there will be the requirement for the purchase or hire of collection containers and other resources, which would need to be accounted for within the cost modelling and tender pricing.

8.0. **Major Risks**

The major risks are considered to be:

- Failure to to meet the timescales within the tender process.
- Failure to develop a fully costed tender.
- Failure to develop a compliant tender.
- Failure to operate the service inline with cost model.

9.0 **Key Decision Information**

- The decision is one that has a significant positive budgetary implication for the Council. It has therefore been included on the Forward Plan.