

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

Date: 16th March 2016

Report Title: **Recycling and Waste Strategy – Procurement Report.**

Submitted by: **Dave Adams - Executive Director (Operational Services)**

Portfolio: **Environment and Recycling**

Ward(s) affected: **All**

Purpose of the Report

To report on the outcome of a number of procurement projects required in preparation for the commencement of the new Recycling and Waste Service in July 2016.

Recommendations

Cabinet are recommended to:

- a) **Note the outcomes of the procurement processes.**
- b) **Request a further report on the progress with the overall Recycling and Waste Service change project at its June 2016 meeting.**

Reasons

To comply with Contract Procedure Rules (13.1) in relation to reporting the outcome of tendering exercises and to note the decisions made by the Recycling and Waste Strategy Cabinet Panel under the delegated authority given to the Panel by Cabinet.

1. Background

- 1.1 On the 23rd July 2014 Cabinet considered a comprehensive report which outlined the proposed structure of a new Recycling and Waste Service designed to improve the current service and coincide with when current contracts were due to expire.
- 1.2 The report highlighted the processes associated with the development of the new Recycling and Waste Service from July 2016 onwards and considered a range of detailed recommendations to ensure that the new service could be commenced on time and successfully delivered. Risks were also highlighted associated with the provision of the proposed service.

- 1.3 Amongst the decisions made by Cabinet, it agreed to the Cabinet Panel being given delegated powers to develop and agree the detail of the service and monitor progress of key tasks to be undertaken in the run up to the new service commencement.

This included the specification and procurement of vehicles, treatment contracts, depot infrastructure, containers, material resale arrangements, collection schedules, working patterns and expansion of the range of materials collected.

Cabinet also noted the outline costs of the new service and agreed that budget provision be made as part of the budget preparation process for 2015/16 and 2016/17.

2 **Issues**

- 2.1 The Recycling and Waste Cabinet Panel has met on many occasions over the last two years and has been directly involved with the development, monitoring and key decision making required to deliver the new service.

- 2.2 A major element of the overall project and the Cabinet Panels work plan is the procurement of a range of services, equipment and infrastructure works.

- 2.3 Tendering processes have taken place for the following major equipment and infrastructure capital works. The final contract values may differ from the initial tendered sum due to finalisation of specifications, options and additional works. For instance, in relation to the collection vehicles, the base vehicle will require additional upgrades and safety items to be included such as reversing radar and surround cameras. These items will be purchased separately to these vehicles to ensure consistency across the recycling and waste fleet.

- a. Kerbside recycling collection vehicles
Successful provider: Romaquip Limited
Contract value: £1,564,784
- b. Recycling containers (boxes)
Successful provider: Straight Limited
Contract value: £361,685
- c. Material sorting and baling equipment.
Successful provider: Bergmann Direct Limited
Contract value: £168,777
- d. Knutton Lane Depot weighbridge
Successful provider: Axtec
Contract value: £17,500
- e. Knutton Lane Depot waste transfer building works
Successful provider: Trenton
Contract value: £210,428
- f. Knutton Lane Depot waste transfer bay walling
Successful provider: JP Concrete
Contract value: £32,424

- 2.4 Tendering processes have taken place for the following revenue items. The contract figures below have been based on the expected annual tonnage per each year of the 4 year contract multiplied by the gate fee, therefore final contract payments will be based on actual tonnages of material collected and processed.
- a. Treatment of Green Waste
Successful provider: Veolia ES Limited
Contract value: £966,000 (£241,500/year)
 - b. Treatment and Transportation of Food Waste
Successful provider: Biffa Waste Services Limited
Contract value: £144,000 (£36,000/year)
- 2.5 The outcomes of the above tendering processes have been reported to the Recycling and Waste Cabinet Panel who have approved the awarding of the work to the successful providers as above.
- 2.6 Further procurement processes are also in progress for the supply of replacement residual, green and trade waste collection vehicles and waste transfer station support equipment and the outcomes of these will be reported at the appropriate point.
- 2.7 It is suggested that Cabinet may wish to receive a further report of progress made towards the commencement of the new service and the June meeting of the Cabinet would appear to be the most appropriate time.

3. **Proposal**

That Cabinet notes the outcomes of the procurement processes and also requests a further report on the progress with the overall Recycling and Waste Service change project at its June 2016 meeting.

4. **Reasons for Preferred Solution**

- 4.1 To comply with Contract Procedure Rules (13.1) in relation to reporting the outcome of tendering exercises and to note the decisions made by the Recycling and Waste Strategy Cabinet Panel under the delegated authority given to the Panel by Cabinet.

5. **Financial and Resource Implications**

- 5.1 Financial provision has been made in the Council's General Fund Capital Programme to meet the costs of items a. to f. in section 2.3 above. Provisions are made within existing General Fund Revenue Programme budgets for revenue items a. and b. in section 2.4.

It is envisaged that the overall capital expenditure costs of the procurement items already completed and those remaining will be accommodated from within the overall budget allowance made for this work within the Councils Medium Term Financial Strategy.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 The proposals relate to the effective delivery of the improved collection and treatment arrangements for recycling and waste, which would contribute to the following:
- A clean, safe, and sustainable Borough.
 - A Borough of opportunity.
 - A healthy and active community.
 - Becoming a co-operative council, delivering high value, community driven services.

7. **Legal and Statutory Implications**

The Landfill Directive (99/31/EC) requires a reduction in bio-degradable waste to be landfilled by 75% in 2010, when compared against the 1995 level.

The Government's Waste Strategy requires 40% of domestic waste by weight to be recycled by 2010 and 50% by 2020. The waste strategy is designed to increase recycling and therefore meet the legislative requirements without incurring financial penalties from Europe.

The Borough Councils recycling performance is already ahead of the 50% by 2020 target, currently running at around 52%.

The Environmental Protection Act 1990 - empowers the Council as a Waste Collection Authority to direct householders how to present waste.

The Waste (England and Wales) (Amendment) Regulations 2012 - transposed from the EU's revised Waste Framework Directive, including TEEP element.

8. **Equality Impact Assessment (EIA)**

- 8.1 The implementation of the Recycling and Waste Strategy 2016 is in accordance with the Council's equal opportunities policy and procedures to enhance community cohesion.

During the development of the new service an equality impact assessment will be undertaken for each aspect of the development. It is anticipated that the comprehensive service design will make a significant positive equalities impact.

9. **Major Risks**

- 9.1 A risk log for the introduction of the new service is maintained and reviewed by the Recycling and Waste Strategy Cabinet Panel on a regular basis.

10. **Key Decision Information**

- 10.1 This proposal affects more than one ward

11. **Previous Cabinet Decisions**

- 11.1 16th December 2015
23rd July 2014

12. **List of Appendices**
None

13. **Background Papers**

13.1 Procurement documentations – available to Members on request.