

North East Derbyshire District Council**Cabinet****26 October 2016****Procurement of Kerbside Recycling Service****Report of Councillor M Gordon, Portfolio Holder with Responsibility for Environment**

This report is public

Purpose of the Report

- To advise members of procurement arrangements of the Council's kerbside recyclable waste collection service in anticipation of it reaching the end of its extended contract duration.

1 Report Details

- 1.1 North East Derbyshire (NEDDC) and Bolsover (BDC) Councils contract with H. W. Martin Waste Ltd, for the provision of its kerbside recycling service; this of which, will reach the end of its extended (7 year) period at 31st October 2017. In anticipation of this, arrangements are being made for both Councils to jointly re-market test their services.
- 1.2 This report aims to advise Members of the outline anticipated timetable the procurement process will follow to meet requirements of the Public Contracts Regulations; as follows:

EVENT	DATE
Advert (PIN) and PQQ Launch	1 st November 2016
Deadline for PQQ Clarifications	29 th November 2016
PQQ Returns	7 th December 2016
PQQ Evaluation	23 rd December 2016
PQQ Notifications	4 th January 2017
ITT Issued	9 th January 2017
Deadline for the receipt of clarification questions	15 th February 2017
Deadline for receipt of Tenders	24 th February 2017
Tender Evaluation Workshop	W/c 27 th March 2017
Evaluation of Tenders	7 th April 2017
Notification of Contract award decision	1 st June 2017
Voluntary Standstill Period	12 th June 2017
Contract award (mobilisation period)	19 th June 2017
Contract commences	1 st November 2017

1.3 The Council's kerbside recycling service incorporates collection of:

In Burgundy Bin	Inner Box
<ul style="list-style-type: none"> ✓ Mixed plastics (i.e. bottles, food trays, yogurt & margarine tubs) ✓ Empty food tins and drink cans ✓ Glass bottles and jars ✓ Flattened cardboard ✓ Empty aerosols ✓ Textiles (in a clear plastic bag) ✓ Brown paper envelopes ✓ Small household batteries (in a plastic bag) ✓ Foil & foil food trays (washes & squashed) ✓ Waxed food packaging (i.e. milk, fruit juice containers) 	<ul style="list-style-type: none"> ✓ Newspapers ✓ Magazines ✓ Paper ✓ Telephone directories ✓ Catalogues ✓ Junk mail ✓ Glossy pamphlets ✓ White envelopes ✓ Shredded paper (weighted down in bottom by other papers)
<p>Extra recycling that won't fit in burgundy bins can be presented in a box/clear bag at the side of the burgundy bin on collection day. Large cardboard packaging may also be put flattened at the side of burgundy bins.</p>	

1.4 As part of the procurement process, the Council will seek to extend the range of materials collected; in particular, plastic film and bags.

1.5 A high number of replacement paper caddies is being experienced from loss, damage and/or theft; arising from which, it is proposed to trial heavy duty woven plastic bags for the presentation of paper in place of caddies. The contract specification will be amended to reflect containment/presentation of paper in caddies and/or bags to offer greater flexibility; in particular, as this was identified at a 'bidder's open day' event held in May 2016, as set out below (Item 3).

2 Conclusions and Reasons for Recommendation

2.1 Members note the anticipated timetable for undertaking joint procurement arrangements of NEDDC and BDC kerbside collection recycling services; further to which, a subsequent report will be submitted to Cabinet at the decision stage in awarding contracts.

2.2 Members note trials will be undertaken in the use of plastic bags as a potential replacement of the current 40litre plastic paper caddy.

3 Consultation and Equality Impact

3.1 The Council, in partnership with Bolsover, Chesterfield, Erewash and Derbyshire County Council, undertook a 'bidder's open day' in May 2016, to consult the market place in anticipation of re-procuring the Council's service requirements. This informed:

- (a) Volatile recyclable material commodity values required that the Councils installed a risk/equity sharing mechanism within future contracts; without which, bidders may not wish to submit tenders.

- (b) End recyclable material processors demanded high quality feedstock. Therefore, Council's and contractors must ensure effective monitoring and education\awareness raising of residents to reduce cross contamination.
- (c) Different service providers employed different technologies to sort materials; in particular those co-mingled (mixed) in wheeled bins. Therefore, some may require a change in placement of glass in caddies rather than paper; alternatively, some may propose heavy duty bags in place of caddies.
- (d) Contractors informed they anticipate utilisation of capital assets employed (i.e. vehicles) of 8 to 10 years. Therefore, it is proposed the contract duration will be 7years with option to extend up to 9 years (i.e. 7 + 1 +1).

4 Alternative Options and Reasons for Rejection

- 4.1 Officers have undertaken work with the Council's Shared Procurement Team (Chesterfield Royal Hospital) and the North of England Commercial Procurement Collaborative (NOECPC) to identify economies of scale through wider collaboration and including North East Derbyshire and Bolsover Councils' service requirements within a wider Health Service Trust Framework Contract; however, due to differences in Health Trust and Local Authority waste service requirements, it was not possible to secure this; hence, the Council preparing to undertake a joint procurement exercise with its Strategic Partner.
- 4.2 The Council's contract will include disposal and conveying of collected recyclables to appropriate material pre-processors; in particular, as private sector recycling waste service providers have established processing facilities and end markets securing sustainable and economic outlets which the Council(s) are not best placed to secure; hence, the service being procured by way of external providers.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Financial implications will be subject to a further report following evaluation of tenders received. However, the Council must have re-procured a new service provider by the end of the current contract's extended period (31st November 2017).
- 5.1.2 The volatile state of the recyclable material values over the past 3 to 4 years has had a detrimental impact on material stream income to service providers, as identified by way of a recent 'bidders day' event. Therefore, to ensure bidders are encouraged to submit tenders, it is essential a risk\equity sharing mechanism is included in the contract moving forward; otherwise, it is unlikely the Councils' will attract positive response to its procurement process.

5.2 Legal Implications including Data Protection

- 5.2.1 The procurement process will meet Public Procurement Contract requirements; in particular, at the value exceeds the European Procurement thresholds for supply of goods and services (£164,176 or €209,000).
- 5.2.2 Procurement will be managed jointly with the Council's Strategic Partner (BDC) and Shared Procurement Partnership (Chesterfield Royal Hospital) to meet minimum timelines set down by European and Public Procurement Regulations.

5.3 Human Resources Implications

5.3.1 None arising directly from this report.

6 Recommendations

6.1 Members note the anticipated timetable for undertaking joint procurement arrangements of NEDDC and BDC kerbside collection recycling services.

6.2 A further report will be submitted to Cabinet at the decision stage in awarding contracts.

6.2 Members note trials will be undertaken in the use of plastic bags as a potential replacement of the current 40litre plastic paper caddy.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	
District Wards Affected	None at this time
Links to Corporate Plan priorities or Policy Framework	<ul style="list-style-type: none">• Supporting Our Communities to be Healthier, Safer, Cleaner and Greener• Providing our Customers with Excellent Services

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
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