

APPENDIX A

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 30 AUGUST 2011

Title:

WASTE MANAGEMENT CONTRACT 2012

[Portfolio Holder: Cllr Bryn Morgan]

[Wards Affected: All]

Note Pursuant to Section 100B(5) of the Local Government Act 1972

Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in paragraph 3 of the revised part 1 of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Summary and purpose:

To present an update on the Council's Waste Management Contract extension negotiations with Veolia Environmental Services and to seek Executive approval of the proposed way forward.

How this report relates to the Council's Corporate Priorities:

The report addresses the Council's 'Environment' priority, specifically, the plan to contribute to tackling climate change by "working with partners to increase the recycling rate to 55% by 2015"; if the proposed scheme is adopted it is anticipated that Waverley would achieve a recycling rate of over 60%.

It also contributes to the Council's 'Improving Lives' priority by providing, in response to extensive customer feedback, a cost-effective and user-friendly service for our Council Tax payers.

Equality and Diversity Implications:

The waste and recycling service is provided equally to all sectors of the community. Bespoke arrangements are developed to serve houses in multiple occupation, assisted collection arrangements made for the disabled and infirm, and extra bins are provided to larger families. Any fundamental changes to the current system would be subject to an Equality Impact Assessment.

Environment and Climate Change Implications:

The extended contract(s) for these services are designed to improve carbon performance, e.g. improved emissions and fuel consumption of vehicles and plant, and the carbon reduction initiatives put forward by Veolia have been taken into account as part of the evaluation process.

Resource/Value for Money Implications:

There are financial advantages in accepting the offer from Veolia as detailed in the Exempt Annexe.

Legal Implications:

Legal implications are considered in detail in the [Exempt] Annexe 1.

Background

1. At the meeting of 5 July 2011, the Executive considered a report setting out the proposed future direction for the Council's environmental contracts (refuse, recycling and street cleaning), and seeking approval on the proposed specification and procurement route.
2. This meeting was preceded, on 27 June, by a special meeting of the Community Overview & Scrutiny Committee, at which the following supplementary recommendations were made:-
 - i. That the varied contract be drawn up to allow more flexibility through the use of performance incentives and a requirement for continuous improvement in order to enable any new technology and changes in recycling process to be taken into account; and
 - ii. That Veolia be given the opportunity to improve their extension offer, subject to the requirements of the Rules of Procurement, until the last possible date and officers be asked to facilitate this with Veolia
3. The Executive resolved that the recommendations of the Community Overview and Scrutiny Committee be endorsed; and that
 - i. the headline specification for Waste Management beyond 2012, of alternate weekly collection, co-mingled recycling and weekly food waste collections, be agreed;
 - ii. the latest position regarding funding from Surrey County Council be noted; and
 - iii. authority be delegated to the Strategic Director and Deputy Chief Executive, in consultation with the Portfolio Holder for the Environment, to proceed with the procurement of waste, recycling and street cleaning services, as set out in paragraphs 13&14 of (Exempt) Annexe 2, and in line with the timetable set out in (Exempt) Annexe 5 of the agenda report.

Contract Extension Negotiations with Veolia

4. Following that meeting, a review of the proposed procurement timetable identified that there was sufficient contingency built-in to enable negotiations with Veolia to continue until the middle/ end of August. A further series of meetings have therefore now taken place with Veolia, and they have now submitted a revised offer.
5. A summary of this offer is to be found at [Exempt] Annexe 1, along with a comparison between the current cost of the contract and the latest offer from Veolia.
6. Officers have now scrutinised this submission with the help of WYG Environment, the specialist consultants supporting this project, and in consultation with the Leader of the Council, the Portfolio Holder for the Environment and the Portfolio Holder for Finance, and the conclusions of this exercise are to be found at [Exempt] Annexe 1.

Recommendation

The Executive is asked to approve the recommendations set out in [Exempt] Annexe 1 to this report.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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