

**WAVERLEY BOROUGH COUNCIL**

**SPECIAL EXECUTIVE**

**31 OCTOBER 2018**

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**Title:**

**PROCUREMENT OF WASTE, RECYCLING, STREET CLEANING CONTRACT**

**[Portfolio Holder: Cllr Andrew Bolton]**

**[Wards Affected: All]**

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

The (Exempt) Annexe to this report (and the Appendices to that (Exempt) Annexe) contains 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 Part I 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:**

Waverley Borough Council's contract for Waste and Recycling Collection and Street Cleaning services is currently provided by Veolia Environmental Services under a contract which ends on 31<sup>st</sup> October 2019. The contract was extended in 2012 and there is no contractual or statutory provision for any further extension.

Tendering for such high value and complex services is a lengthy process. In the case of Waste Services the mobilisation time needs to be considerable as it can take 9 to 12 months for ordered vehicles/ freighters to be built and delivered to the client.

Through a Working Group, the Environment Overview & Scrutiny Committee carried out an in-depth review of the options for providing these services from the end of the current contract in October 2019. The recommendations of that review were considered by the Executive at its meeting on 6 February 2018 and again in July 2018. In February 2018 the Executive asked officers to investigate three options for the procurement of the future contract, and in July one of those options was discounted by the Executive as it was not considered viable. .

This report presents the findings on the two remaining options and makes recommendations on the way forward.

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

People - These services are provided to every resident in the Borough on a weekly basis to ensure waste is removed efficiently and effectively and recycling is maximised.

Places – These services ensure high standards of street cleanliness and a clean and pleasant environment is maintained.

Prosperity – The selection of the most financially advantageous procurement route will ensure value for money for the Council and minimise the financial impact on the Council and the community.

### **Financial Implications:**

The current Waste, Recycling and Street Cleaning budget for 2018/19 is £4.8m. Adjusting for inflation, the opening budget for 2019/20 is £4.96m. Waverley is facing increased budget pressure over the next three years and therefore the Council is seeking to minimise this shortfall in the budget setting process through income generation and service efficiencies. Part of the financial strategy is to control the Council's cost base so as to not increase the budget gap further.

It is vital, therefore, that the Council achieves good value for money in future service delivery arrangements, balanced with maintaining the high standards of service experienced with the current arrangements.

### **Legal Implications:**

The procurement process has been conducted in manner that is fully compliant with both the Public Contract Regulations 2015 and the Council's Contract Procurement Rules. The analysis contained within the (Exempt) Annexe has also been undertaken with the benefit of both internal and external legal advice throughout, and the procurement options have been assessed in a legally compliant manner and with a full assessment of the benefits and risks involved.

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### **Background**

1. Waverley Borough Council's Waste, Recycling and Street Cleaning services are currently provided under a contract which ends in October 2019. The contract was extended in 2012 and there is no provision for a further extension.
2. Procuring efficient, effective and economic Waste, Recycling and Street Cleaning services from 1<sup>st</sup> November 2019 is a high priority for the Council:
  - Collection of Waste and Recycling is a statutory duty under the Environmental Protection Act 1990.
  - Collection of Waste and Recycling is the one service delivered to every household in the borough, every week: bin collection is the one service that people most associate with their local council.
  - Street Cleaning makes a major contribution to the overall perception of the Waverley 'place'.
  - The services are a significant part of Council's overall costs.
  - The services are highly valued by our residents.
3. The current Waste, Recycling and Street Cleaning budget for 2018/19 is £4.8m.
4. In July 2017, the Environment Overview & Scrutiny Committee established a Member Working Group to review the procurement options available to the Council for the

future delivery of the Waste and Recycling, and Street Cleaning services at the end of the current contract, and to make recommendations to the Portfolio Holder for Environment and the Executive.

5. The Working Group looked in detail at the design of the current services and also reviewed the evidence on how well they were performing, taking into account sector benchmarking data and customer satisfaction. Overall, there was strong evidence that the current contracted service is performing well and delivers high levels of customer satisfaction. Whilst the number of complaints about the services is generally low, this is highly sensitive to relatively minor service failures.
  6. With the support of external consultants, the Working Group considered a range of options for the future procurement of these services and recommended to the Executive that three of these options be explored further to establish which could offer the most financially advantageous route for delivering the high standards of service that are currently being delivered.
  7. In July 2018 the Executive considered a detailed (exempt) report on officers' findings and resolved that further work should be undertaken by officers.
  8. The (Exempt) Annexe to this report sets out the detailed findings of that further work and makes recommendations on the preferred option for the future provision of the Waste, Recycling and Street Cleaning services in Waverley.
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## **Recommendation**

It is recommended that the Executive considers this report and:

1. Notes the outcome of officers' detailed programme of work and due diligence undertaken in respect of procurement options for delivering the waste, recycling and street cleaning service; and
2. Approves the recommendation within the (Exempt) Annexe; and
3. Notes the outcome of the tender evaluation processes set out in the (Exempt) Annexe and further notes that officers will now proceed to award the contract in accordance with the Council's Contract Procurement Rules.

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## **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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