

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

17 DECEMBER 2024

REPORT OF THE PORTFOLIO HOLDER FOR THE ENVIRONMENT

A.3 UPDATE ON THE WASTE AND RECYCLING SERVICE PROCUREMENT

(Report prepared by *Tim Clarke*)

PURPOSE OF THE REPORT

To update the Committee on the current position with regard to the waste and recycling and street cleaning service procurement.

It should be noted that as the procurement process is now under way there is limit to how much information about the process and the bidders involved that can be shared with the committee.

BACKGROUND

This update report has been requested by the Committee in light of the ongoing procurement exercise to find a contractor to deliver the waste a recycling collection and street cleaning service from 2026 onwards.

DETAILED INFORMATION

The appended report was presented to Cabinet on 26 July 2024. The minutes from that meeting are reproduced below:

35. CABINET MEMBERS' ITEMS - REPORT OF THE ENVIRONMENT PORTFOLIO HOLDER - A.6 - WASTE MANAGEMENT, RECYCLING & STREET CLEANSING OPTIONS APPRAISAL

Cabinet considered a report of the Environment Portfolio Holder (A.6), which:-

- provide it with an update on progress with future options for kerbside waste and recycling collection and street sweeping beyond the expiry in 2026 of the current contractual arrangements;*
- sought Cabinet's approval to go out to tender in order to find a suitable service provider;*
- sought the adoption of the Core Specification Principles; and*
- sought to delegate a number of decisions to Portfolio Holders and Officers to ensure a smooth progression of this work.*

Cabinet was aware that this Council's contracts with Veolia Environmental Services for household waste and recycling collection, and street sweeping would both expire early in 2026 and that therefore a Waste Contract Project Board had been set up to provide governance and oversight to the process of determining how those services would be provided in future.

In addition, Member Working Group had been set up, led by the Portfolio Holder for

Environment and with representation from the majority of political groups on the Council. This group had now met on three occasions and it was supportive of the proposals.

It was reported that, following approval by the Waste Contract Project Board, the East of England Local Government Association (EELGA) had been commissioned to provide support to the Council and EELGA had produced an Options Appraisal and an Outline Business Case, assessing five potential delivery models. The highest scoring and therefore recommended option was to re-tender both the waste and recycling collection and the street sweeping services, as a single contract. This was the most advantageous option for the Council.

In addition, the Waste Contract Board had agreed a set of Contract Principles upon which the future service specification would be based. A market engagement exercise had been undertaken via the issue of a Prior Information Notice (PIN). Six responses to the PIN had been received and four of the contractors had taken up the option of a one to one meeting with Officers.

It was felt that the market engagement exercise had provided a clear steer on a number of key areas including where a decision was required before a tender exercise commenced. All of the work undertaken so far had led to the development of a set of Core Specification Principles that Cabinet were asked to adopt. Cabinet, having taken into account the fact that:-

- (1) the Council's contracts with Veolia Environmental Services for household waste and recycling collection and street sweeping would both expire in 2026 and that, as such, a contractor needed to be found to deliver those services upon expiry of the current arrangements;*
- (2) the Portfolio Holder's recommendations would ensure that the Council continued to progress the future of this important statutory service and would also ensure value for money, whilst complying with the Environment Act 2021 requirements due to be introduced during 2026; and*
- (3) under the Environmental Protection Act 1990 the Council was designated as a Waste Collection Authority (WCA and as such had a statutory duty to collect household waste and recycling from homes in the District. From 2026, the Council would be required under provisions in the Environment Act 2021 to collect a wider range of recyclable material and as such any new service commencing in 2026 must be compliant with this requirement;*

*It was moved by Councillor Bush, seconded by Councillor M E Stephenson and:-
RESOLVED that Cabinet –*

- 1. notes the work undertaken by the Waste Contract Project Board to date and the contributions from the Member Working Group;*
- 2. notes the content and recommendations made in the Options Appraisal and Outline Business Case produced in partnership with EELGA;*
- 3. endorses the proposal set out within the Options Appraisal and Outline Business Case to re-tender both the waste and recycling collection and street sweeping services as a single contract in order that a contractor is in place to deliver services at the time of the expiry of the current contracts on 31st December 2025 and 31st January 2026;*
- 4. notes the outcome of the market engagement exercise;*
- 5. agrees to the route to procurement being Competitive Dialogue;*
- 6. agrees to formally adopt the Contract Principles, endorsed by the Waste Contract Project Board and against which the new service will be set, along with the Core*

Specification Principles set out in Table 4 within the Portfolio Holder's report (A.6);

- 7. agrees to offer a lease of the Fowler Road depot in Clacton on the existing terms as part of any future contractual arrangement, accepting that the depot is likely to require reconfiguring / modernisation during the contract period. Therefore, Cabinet also agrees to initiate the Property Dealing Procedure allowing Officers to explore options and alternative / additional land purchase or lease opportunities;*
- 8. agrees a delegation to the Portfolio Holder for Assets to determine the Social Value Themes, Outcomes and Measures (TOMs) against which the social value aspects of the tender submissions will be considered;*
- 9. agrees a joint delegation to the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets to approve:-*
 - a. the high level service specification provided that they consult with the Waste Contract Project Board and the Member Working Group beforehand;*
 - b. the aspects of the tender about which there will be dialogue held with bidders; and*
 - c. the tender evaluation criteria to be used;*
- 10. agrees a delegation to the Corporate Director (Operations & Delivery) to approve:*
 - a. the detail of the service specification providing that they have consulted with the Portfolio Holder for the Environment; and also*
 - b. the membership of the tender evaluation panel; and*
- 11. authorises a joint delegation to the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets, in consultation with the Corporate Director (Operations & Delivery), the Section 151 Officer and the Monitoring Officer to agree any short term extension to the current contractual arrangements, where permissible to do so and solely for the purpose of assisting with the mobilisation of the new contracts.*

Since the 26 July Cabinet decision the relevant portfolio holder decisions have been taken and the procurement exercise was formally launched on 16 October 2024.

The first stage of the procurement exercise has been completed and bidders have now been invited to submit detailed solutions that are due to be submitted in mid-January 2025. Those submissions will then be scored and evaluated before bidders are invited to participate in a round of dialogue discussions aimed at increasing understanding of both the Council's requirements and bidder's proposals.

Following the dialogue sessions the bidders will be invited to submit their final solutions with the aim that a formal decision on contract award can be made in June 2025.

RECOMMENDATION

That the Committee determines whether it has any comments or recommendations it wishes to put forward to the relevant Portfolio Holder or Cabinet.