

REPORT TO: Cabinet Member - Environmental
Cabinet

DATE: 29th September 2010
30th September 2010

SUBJECT: **DRY MATERIALS RECYCLING CONTRACT – INTERIM AGREEMENT AND PROCUREMENT ARRANGEMENTS FOR FUTURE SERVICE**

WARDS AFFECTED: All

REPORT OF: J G Black - Operational Services Director

CONTACT OFFICER: Clare Bowdler – Tel: 0151 288 6144

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To update the Cabinet regarding the Interim Agreement established with Palm Recycling Ltd as a result of AbitibiBowater Recycling Europe entering into administration on 11th February 2010, and to advise on the progress of procurement for a new service.

REASON WHY DECISION REQUIRED:

To gain approval from the Cabinet to extend the interim agreement for an additional six month period until 31st March 2011, to ensure the continuity of service whilst procurement of a new service provider is established.

RECOMMENDATION(S):

That Cabinet Member – Environmental recommends to Cabinet that they agree that the Interim Agreement with Palm Recycling Ltd be extended by an additional six month period from October 1st 2010 until 31st March 2011. pending the implementation of longer term formal arrangements for future recycling collection service provision.

That Cabinet approve the above recommendation.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: Following the call-in period.

ALTERNATIVE OPTIONS:

None, It would be very difficult to procure an alternative service provider at short notice due to the specialist nature of this service.

IMPLICATIONS:**Budget/Policy Framework:**

Financial: Cost of extending the Interim Agreement will be within existing budget.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources	No			
When?				

Legal:**Risk Assessment:****Asset Management:****CONSULTATION UNDERTAKEN/VIEWS**

LEGAL DEPARTMENT

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Dry Material Recycling Service Contract – SC3960

Background

- 1 Following a report to Cabinet dated 15th April 2010 permission was given to enter into an Interim Agreement to provide the Dry Recycling Service with Palm Recycling Ltd for an initial six month period until September 30th 2010 with an option to extend by further one month periods, ensuring a continuous recycling service to the residents of Sefton MBC whilst arrangements are made for the future service provision.
- 2 Palm Recycling Ltd have been successfully delivering the Dry Recycling Service since 12th February when AbitibiBowater Recycling Europe entered into Administration.
- 3 The Council has been considering the long term future of the recycling service these decisions were to:
 - A. Continue in the long term to provide a source separated kerbside service with the possibility of enhancing this service by adding additional materials such as plastics and cardboard.
 - B. Move away from a kerbside sort service to a co-mingled collection using a third wheeled bin.

Option A is currently the preferred method for future service delivery.

- 4 It is vital that a new and robust Recycling Service Contract is put in place, The complexity of the recycling service needs to be covered by the production of a detailed Service Specification and Conditions of Contract, which also allows flexibility to deal with future changes in legislation and possible alterations to the way the service is provided and/or what materials are collected. Permission was granted ref:VR166 to engage the services of a consultancy to assist in the procurement exercise.

Current Situation

- 5 Advice and quotations have been sought from several consultants in order to progress with the procurement exercise. A detailed proposal has been received from a Consultant that meets the timescales predicted for the exercise and is within the approved budget of £20,000.
- 6 Going forward it is highly unlikely that the re-tender process can be achieved before the end of March 2011, With this in mind and in consultation with the Legal Dept it is considered that the Interim Agreement with Palm Recycling Ltd be extended for a full six month period until 31st March 2011, rather than monthly extensions. Subject to approval a suitable Deed of Variation to extend the current arrangement will be drawn up.