
Report to: Cabinet

Date of Meeting: 13th October 2011

Subject: Green Waste (Composting) Service - Award of Contract

Report of: Director of Street Scene

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential

No

Purpose/Summary

On 26th May 2011 it was agreed by Cabinet to re-tender the Green Waste (Composting) Contract. The re-tendered contract is for a 2 year period commencing 1st November 2011 plus an optional period of 1 year. Officers have completed the formal re-tendering process and evaluated all bids accordingly as detailed in this report, and are now in a position to award the contract to the preferred bidder, subject to Cabinet approval.

Recommendation(s)

That Cabinet agrees to award the Contract for the Green Waste Composting Service to Tenderer No. 3 for a 2 year period from 1st November 2011 with an option to extend for a further 1 year period from 1st November 2013 subject to satisfactory performance.

How does the decision contribute to the Council's Corporate Objectives?

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

Reasons for the Recommendation:

To establish a secure outlet by means of a new contract for the delivery and composting of green waste collected within Sefton.

What will it cost and how will it be financed?

(A) Revenue Costs

It is anticipated that the overall costs of using the highest scoring tenderer is c£1,1m, which can be contained within existing budgetary provision.

(B) Capital Costs

None.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal – The legal implications are incorporated within the report
Human Resources None
Equality 1. No Equality Implication <input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated <input type="checkbox"/>
3. Equality Implication identified and risk remains <input type="checkbox"/>

Impact on Service Delivery:

Failure to make secure long term arrangements for the delivery and composting of green waste could lead to disruptions in collections from households across the borough.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD965) has been consulted and any comments have been incorporated into the report.

Head of Corporate Legal Services (LD333/11) has been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

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Background Papers:

None

Introduction/Background

1. The current contract for the Provision of a Green (Composting) Waste outlet expired on 31st March 2011. In order to maintain service provision and continue to provide an outlet for composting of green waste Sefton entered into a formal OJEU (Tendering) contract renewal exercise in Autumn 2010. As a result of this exercise a new Contract was awarded in January 2011 to the winning bidder. The new Contractual arrangements were due to begin on 1st April 2011.
2. Cabinet will recall the report of 6th April 2011: GREEN WASTE (COMPOSTING) – EXTENSION OF EXISTING ARRANGEMENTS. This reported problems encountered by the proposed new incoming green waste contractors and advised of the need to extend the existing green waste composting arrangements for an additional 8 weeks until said issues had been resolved. These issues were not resolved within the given timescales and as such the incoming contractor failed in respect of the Conditions of Contract. In order to progress the situation in a fair and open manner, and after consultation with Finance and Legal Departments, it was considered appropriate to re-tender for the Award of the Green Waste Composting Contract, and to immediately commence a formal re-procurement process.
3. The formal re-procurement process has now been completed and resulted in the submission of 3 bids from companies listed alphabetically below.

White Moss Horticulture Ltd
WSR Recycling Ltd
WRS Composting Ltd (Walkers Organic Solutions)

This alphabetical listing does not relate to the 'Tenderer Number' quoted further in this report. In order to retain anonymity in the process, each tenderer was randomly allocated a 'Tenderer Number'.

4. The three compliant bids were first analysed in respect of 'price' against the specified evaluation process and estimated volumes of green waste. A formula, developed in conjunction with Sefton Council's Procurement Section, was applied to transform the prices into scores. The price element of the score contributed to 60% of the overall scoring.
5. All of the bids were scored in respect of the non-price related criteria, this 'quality' element of the score contributed 40% to the overall scoring and included:
 - Environmental Impact
 - Viability of proposed site(s)
 - Commercial and Technical Sustainability of proposals
 - How well the proposal fits with the operational needs of Sefton Councils green waste services
 - Added Value

6. The evaluation was conducted by officers in the Central Purchasing, Finance Department and Cleansing Section of Street Scene Services Department. The staff involved scored each section against the agreed criteria. The scores from the evaluation teams were then added into the overall bid scoring. The final scoring results are as follows:

Final scoring following evaluation of tenders by officers at the Finance Department (Central Purchasing) & Street Scene Services Department (Cleansing)

Rank	Tender No.	Quality Score	Price Score	Overall score
1	3	81.00	100	92.40
2	1	29.00	98.58	70.75
3	2	67.00	78.86	74.21

7. A full financial assessment of all bids has been undertaken. Based upon current volumes of green waste and anticipated fuel expenditure over the next two years, it is expected that the tendered prices obtained will require no additional expenditure over the period of the contract.
8. The Head of Corporate Finance would comment that the overall cost of using the proposed tenderer over a two year period would be c£1.1m, and it is anticipated that these costs can be contained within the existing recycling budget.