

Report to:	Cabinet	Date of Meeting:	6 th September 2018
Subject:	Green Waste Composting Service – Re-procurement for a new Contract to run from 1 st November 2019		
Report of:	Head of Locality Services - Provision	Wards Affected:	All
Cabinet Portfolio:	Cabinet Member – Locality Services		
Is this a Key Decision:	Yes / No	Included in Forward Plan:	Yes / No
Exempt / Confidential Report:	No		

Summary:

To seek approval to begin procurement exercise for a new Green Waste Composting Service Contract to run from 1st November 2019.

Recommendation(s):

Cabinet is requested to:

1. Approve the proposed OJEU-compliant procurement process for a new Joint Green Waste Composting Contract to run from 1st November 2019
2. Grant delegated authority to the Head of Locality Services Provision to award the Contract resulting from the procurement in consultation with the Cabinet Member – Locality Services.

Reasons for the Recommendation(s):

The current contract for the delivery of green garden waste for composting comes to an end on October 31st 2019. This was a joint authority contract. There is no option to extend the contract for a further period. The Contract will have to be re-tendered in order to maintain composting facilities for green garden waste to be delivered.

Alternative Options Considered and Rejected: (including any Risk Implications)

None

What will it cost and how will it be financed?

(A) Revenue Costs - Costs are contained within the Cleansing Budgetary Provision, Green Waste Collections are a core service.

(B) Capital Costs - None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): No changes will be required to the current Cleansing Services resource in terms of fleet and staffing. There may be a slight increase in gate fees, however it is anticipated this will be negligible and will be contained within the existing budgetary provision.
Legal Implications: None
Equality Implications: There are no equality implications

Contribution to the Council's Core Purpose:

Protect the most vulnerable: not applicable
Facilitate confident and resilient communities: not applicable
Commission, broker and provide core services: Green Waste Collections are a core service
Place – leadership and influencer: not applicable
Drivers of change and reform: not applicable
Facilitate sustainable economic prosperity: not applicable
Greater income for social investment: not applicable
Cleaner Greener: Providing a green waste collection service sustains Seftons recycling rate and diverts bio-degradable waste from disposal.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 5243/18) and Head of Regulation and Compliance (LD 4467/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The procurement process will be a joint exercise with St Helens, Wirral and Knowsley, with Sefton being the Lead Authority. All the participating Authorities are happy to work together again to secure new contract arrangements as detailed within this report.

A Joint Authority Working Group has been established, with Lead Officers from Sefton, Knowsley, St Helens and Wirral Councils.

Implementation Date for the Decision

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

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection

Introduction/Background

1. The current contract for the delivery of green garden waste for composting comes to an end on October 31st 2019. This was a joint authority contract. There is no option to extend the contract for a further period.
2. When this service was originally procured, it was procured on the basis of a core contract period of 2 years with further optional extension periods of 3 x 1 years built in and anticipated at the outset as part of the life of the contract, provided that the quality/price of services provided under the contract are of a satisfactory standard and exercising the extension is considered to represent best value for the Council. The purpose of building contracts around core and extension periods is to ensure that the quality of the contract is maintained throughout the life of the contract and to ensure that the Council, particularly at times of financial uncertainty has flexibility to bring contracts to a conclusion and/or is able to refine services and or goods received under the contract.
3. Sefton Council was the Lead Authority for the joint procurement exercise in 2014 along with Knowsley, St Helens and Wirral to seek suitably experienced companies to process collected green garden waste into certified PAS100 compost. The combined authorities collect around 48,000 tonnes of green garden waste per annum.
4. The contract to provide a green waste composting service was awarded to White Moss Horticulture Ltd in 2014. The core Contract Term was for a 2 year period from November 1st 2014 to October 31st 2016 with an option to extend for an additional 3 x 12 month periods. All the additional 3 x 1 year extensions were agreed, with the final 1 x year extension running from 1st November 2018 until 31st October 2019.
5. Previous tender exercises have had low responses as detailed below:
2011 - Sefton only contract - 3 bids received: White Moss, WRS Composting, and WSR Recycling. Contract awarded to White Moss Horticulture Ltd.

2014 - Collaborative Contract - 2 bids received: White Moss and James Heyes and Sons. Contract was awarded to White Moss Horticulture Ltd.

6. Due to the limited responses previously received all the participating Authorities consider a longer core contract period would potentially open up the market. It is considered that a core 5 year term with 2 x 1 year extension options would help increase bids and opportunities for suppliers due to the nature of the service, set up costs, permitting, and composting certification regulations associated with the composting process.
7. It is anticipated that a 5 year Core period with a termination for convenience clause and 2 x 1 year extension options would be the most beneficial to all participating authorities and to the potential service provider, providing stability for the market.
8. The joint authorities collectively collect around 48,000 tonnes of green garden waste (Sefton alone collect ~ 19,000 tonnes per annum) which is all composted to PAS 100 Specification – as set out in the Compost Quality Protocol (2012). Green waste tonnage can vary due to climatic conditions so it is important that there is no fixed tonnage threshold.
9. The contract will need to allow for variations to anticipated tonnage, which may arise from individual service delivery decisions, including charging for a green waste collection service, which can impact on the tonnage collected.
10. The contract would be exclusively for green garden waste, as opposed to mixed green garden and food waste, which requires a different and considerably more expensive composting process in order to reach required composting conformity.
11. A termination for convenience clause will be included in the contract, should any changes to legislation arising from national or regional directives on collection and disposal of food waste be implemented.
12. The contract will be open to Liverpool City Council and Halton Borough Council to join if their current arrangements end during the new joint contract term, and the terms of any new contract are favourable.
13. A further report will be brought to Cabinet in 2019 detailing the outcome of the procurement process seeking approval to award the Contract to the successful bidder.

Conclusion

All parties need to establish a suitably certified delivery and processing outlet for collected green garden waste. This is a core service which diverts bio-degradable waste from other less favourable disposal pathways. Green waste tonnage contributes significantly to all the authorities recycling rates which are anticipated to become even more challenging in the coming years. It is therefore vital a stable outlet is secured for the future.