

## **Committee: Cabinet**

**Date: 19 October 2015**

Wards: All

## **Subject: South London Waste Partnership Phase C Inter-Authority Agreement**

Lead officer: Cormac Stokes, Head of Street Scene and Waste

Lead member: Councillor Judy Saunders, Cabinet Member for Environmental Cleanliness and Parking

Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration

Contact officer: Cormac Stokes. [cormac.stokes@merton.gov.uk](mailto:cormac.stokes@merton.gov.uk)

---

### **Recommendations:**

- A. For Cabinet to note the final form of the proposed inter-Authority Agreement between the four South London Waste Partnership (SLWP) boroughs to cover the procurement phase (Phase C) of the South London Waste Collection and Environmental Services Projects; and
- B. For Cabinet to delegate authority to the Director of Environment and Regeneration in consultation with the relevant Cabinet Members and the Head of Legal to authorise the execution of the Inter-Authority Agreement in accordance with the details contained in this Report and the form of the Agreement hereto appended.

---

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. This report sets out the need for a new inter-authority agreement (IAA) between the four SLWP partner boroughs to cover the procurement phase of the South London Waste Collection and Environmental Services Projects (Phase C).
- 1.2. The report seeks approval to agree the final draft of the IAA

## **2 DETAILS**

- 2.1. The four boroughs of the South London Waste Partnership have been working together on joint waste management projects since 2003/2004. As part of its initial Phase A procurement project covering the haulage, landfill, waste treatment, recycle processing and organic waste treatment, the partnership established a Joint Waste Committee to oversee and manage the waste disposal functions on behalf of the partner boroughs. This existing relationship is underpinned by an existing Inter-Authority Agreement.
- 2.2. Those functions delegated to the Joint Waste Committee cover waste disposal functions only, including procurement and contract management and do not cover the range of services contained within the scope of the existing Phase C procurement project.

- 2.3. At its meeting of 10 November 2014, Cabinet resolved to agree the proposal to jointly procure through London Borough of Croydon a range of services as part of the South London Waste Partnership, using the competitive dialogue procurement route. These services included waste collection, street cleaning, commercial waste, winter maintenance, fleet management (Lot 1) and parks and open spaces (Lot 2).
- 2.4. Cabinet further resolved to delegate authority to the Chair of the SLWP Management Group in consultation with the Management Group, Strategic Steering Group, the SLWP Legal Lead and members of the Joint Waste Committee to deselect bidders and agree the specification at each stage up to and including the invitation to submit final tender and agreed to receive a report in spring 2016 recommending Preferred Bidder and subject to approval, recommend that the London Borough of Croydon, as lead procuring authority, award the contract.
- 2.5. On the basis that this procurement is not covered by an existing IAA a new agreement is required. The proposed IAA is based on established principles within existing IAA but is specific to the joint procurement activities for the Phase C project. The joint procurement is not being carried out by the SLWP directly with governance oversight from the Joint Waste Committee but it is utilising the skills, knowledge, experience and established relationships that has come from the SLWP.
- 2.6. The proposed IAA formally evidences by way of a Deed the principles agreed via a signed letter by the Chief Executives of the four partner boroughs dated 26 January 2015. The principles set out in this letter provided assurances to the boroughs and enabled them to proceed with the publication of the OJEU Notice on 27 January 2015.
- 2.7. The principles set out in this letter have been reflected in the proposed IAA for the Phase C project. Overall the principles remain consistent with existing IAA and the joint letter of the Chief Executives of January 2015. Set out below are the key elements of the proposed agreement:
- The London Borough of Croydon will act as the procuring authority
  - Each of the boroughs agree to indemnify others in the event of their withdrawal from the procurement phase.
  - The partner boroughs will share equally (25% each) the costs of the procurement.
  - The partner boroughs will commit as far as practicable and reasonable sufficient resources required to deliver the project.
  - Any depots made available by the partner boroughs will be for the duration of the contract.
  - Revised governance arrangements that ensure robust decision-making at the most senior officer level with the partner councils.
- 2.8. The Chair of the Management Group in consulting with the Strategic Steering Group in accordance with the authority delegated by individual

borough Executives / Committees will be bound by the decision and recommendation of the Strategic Steering Group.

- 2.9. The Strategic Steering Group is made up of the Directors / Executive Directors with responsibility for Environment within each of the partner Authorities. The Group chaired by one of the Chief Executives on a rotating basis based on the model adopted by the South Waste London Partnership with regards the Initial Agreements. The Strategic Steering Group's role is to ensure that senior officers in the Authorities oversee the deselection process and the specification as it develops at each stage of the competitive dialogue procedure up to and including the invitation to submit a final tender.
- 2.10. Whilst the individual members of the Joint Waste Committee should be consulted at each stage of the de-selection process and each of the partner Authorities will require formal Executive / Committee approval to award the contract (in summer 2016) the proposed governance arrangements will also provide an endorsement from the Members of the Joint Waste Committee in advance of any individual borough decision.
- 2.11. It should be noted that the proposed IAA covers the procurement phase up to and including contract award. A further iteration will be required setting out the arrangements required for the service phase of the contract, setting out ongoing governance and contract management arrangements. This will be required in advance of contract commencement which is due in April 2017.

### **3 ALTERNATIVE OPTIONS**

- 3.1. There are no alternative options. Not signing up to an Inter-Authority Agreement between the partner boroughs to cover the procurement phase would leave the council exposed to financial risk should any of the other boroughs wish to withdraw from the project.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. None specific for the purpose of this report.

### **5 TIMETABLE**

- 5.1. The procurement project is expected to be completed by December 2016 when it is anticipated the contract will be awarded to the successful bidder. The contract will commence on 1 April 2017.

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. There are no additional financial implications relating to the proposed new IAA. Any financial exposure relating to the procurement project is covered and implicitly agreed within the body of the IAA

### **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. As stated in the main body of this report this Inter Authority Agreement ("IAA") relates to a joint procurement being carried out by the four council who are also members of the South London Waste Partnership. The lead Authority is Croydon.
- 7.2. The joint procurement for Lots 1 and 2 is being carried out in pursuance of the Council's powers under section 101(5) and 101(5B) and section 102 Local Government Act 1972, section 20 Local Government Act 2000 as

amended by the Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001, the Local Authorities (Goods and Services) Act 1970, sections 1 to 8 of the Localism Act 2011 and all other relevant enabling powers.

7.3. A second IAA will be required with regards contract management prior to the four councils entering into a contract for the two lots.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. None

## **9 CRIME AND DISORDER IMPLICATIONS**

9.1. None

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. None

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Appendix 1: Phase C Inter-Authority Agreement

## **12 BACKGROUND PAPERS**

12.1. None