

Committee: Sustainable Communities Overview and Scrutiny

Date: 9th June 2016

Wards: ALL

Subject: South London Waste Partnership – Procurement of Waste Collection and Related Environment Services

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Ross Garrod, Cabinet Member for Street Cleanliness and Parking and Councillor Nick Draper, Cabinet Member for Community and Culture

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

Recommendations:

- A. To note the Content of the draft Cabinet Report on South London Waste Partnership – Procurement of Waste Collection and Related Environment Services.
 - B. To note and consider the proposal of the preferred bidders technical solution and required changes to Merton.
 - C. To identify any areas of further work for Cabinet consideration.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report follows on from a report brought to this Scrutiny Panel in February 2016 which provided an update and opportunity to scrutinise the procurement process immediately before the Invitation to Final Tender stage of the Procurement of Waste Collection and Related Environmental Services (Phase C) project.
- 1.2. The SLWP was formed in 2003 and has a proven record of providing improved and more cost-effective waste management services through the procurement of complex waste disposal, treatment, recycling and Household Reuse and Recycling Centre contracts.
- 1.3. Officers from the four partner boroughs explored opportunities for future delivery of a range of high quality environmental services. An options analysis was undertaken to assess the merits of procuring services in partnership, as opposed to procuring alone, or retaining existing arrangements. The boroughs made an assessment of delivery, procurement options and modelling savings based on joint procurement by all boroughs. The modelling suggested savings in the region of 10% from procuring jointly with the potential to achieve savings in excess of this if the partner boroughs harmonised these services.
- 1.4. On this basis a business case for a joint procurement exercise for the following services was agreed in each of the boroughs between November 2014 and January 2015:

Lot 1 (All boroughs)	Lot 2 (Sutton & Merton only with options for other boroughs to join later)
Waste collection	Parks and grounds maintenance
Street cleaning	Cemeteries
Commercial waste	Highway verge maintenance
Winter Maintenance	Tree maintenance (excluding inspections)
Vehicle maintenance and procurement	Sports and play facilities management

2 DETAILS

- 2.1. During the life of the contract Veolia will introduce a harmonised waste collection service across the Partnership boroughs. The recommendations would mean the continuation of weekly food waste and recycling collections; paper and card being collected one week and glass, tins and plastic the next. The remaining non-recyclable rubbish would be collected on alternate weeks encouraging behaviour change promoting recycling and food waste and making the solution affordable to Merton. This recommendation would also see the introduction of wheeled bins.
- 2.2. Other services are also harmonised across the Partnership area. The street cleaning service proposals operate on a neighbourhood basis. Parks and grounds maintenance resources are flexible with dedicated staff at key locations. Boroughs are able to share depot space, enabling the services to operate more efficiently

3 ALTERNATIVE OPTIONS

- 3.1. Alternative options were considered by Cabinet in November 2014. The agreed options was to undertake a joint procurement through the South London waste Partnership using complete dialogue.
- 3.2. The only alternative option available to the Council is to not appoint preferred bidders and withdraw from the procurement process. This would potentially expose the Council to claims from partner boroughs if the procurement was unable to proceed and potentially from bidders. The Council would also still face the need to make budget savings already built into the MTFS.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. The current level of consultation undertaken to date can be seen in Section 5 of the draft Cabinet report attached as Appendix 1.

5 TIMETABLE

5.1. The indicative timetable leading to contract commencement is as follows

WORK STREAM	DATE
Boroughs approval for Preferred Bidder and Reserve Bidder	June – 3 August 2016
Preferred Bidder Fine tuning	August – November 2016
Advertising intention to lease properties	August/September 2016
Contract Award (includes 10 working days standstill period following notification of contract award)	Dec 2016
Mobilisation period (includes TUPE transfer of relevant staff)	LOT 1 - January – March 2017 LOT 2 - January 2017
Contract commencement	Lot 1 – April 2017 Lot 2 – February 2017

5.2. The final report setting out the outcome of the procurement process so far, together with recommendations will be reported to Cabinet on 4th July 2016.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. It is anticipated, based on current analysis of the financial submissions from both preferred bidders that savings in excess of that required in the original business case have been achieved. Further details are contained within the draft Cabinet Report Appendix 1.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. None for the purposes of this report

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. None for the purposes of this report

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this report

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None for the purposes of this report

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

- APPENDIX 1 – Draft Cabinet Report July 4th 2016

12 BACKGROUND PAPERS – HELD BY CORMAC STOKES

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