

To: Procurement Sub Committee

On: 3 June 2015

Report by:

**Joint Report
by**

Director of Finance & Resources and the Director of Community Resources

CONTRACT AUTHORISATION REPORT – TREATMENT OF CO-MINGLED DRY RECYCLATES

1. Summary

- 1.1 The purpose of this paper is to request authorisation from the Procurement Sub Committee to award a contract to Regen Waste Ltd for the Treatment of Co-Mingled Dry Recyclates (blue bin waste) from 12 June 2015 for 12 months. The contract will be called off under the following Lot as detailed within the Scotland Excel Framework for the Treatment of Recyclable and Residual Waste:
 - Lot 8:- Treatment of Co-Mingled Dry Recyclable Waste (Mixed Papers, News & PAMs, Cardboard, Plastic Bottles, Plastic Containers, Plastic Film, Beverage Cartons, Cans and similar metal and Glass)
- 1.2 A contract strategy for the Treatment of Co-Mingled Dry Recyclates was agreed in May 2015 by the Procurement Manager and Director of Community Resources.
- 1.3 This report also informs the Procurement Sub Committee of an interim arrangement with William Tracey Limited for the treatment and disposal of Co-Mingled Dry Recyclates, which was implemented on 7 April 2015 until the commencement of any new contract. This arrangement was implemented

under the Council's emergency powers, to ensure compliance with the Council's statutory obligations to uplift this waste, following a contract default by the Council's contractor for the treatment and disposal of this waste stream.

2. Recommendations

It is recommended that the Procurement Sub-Committee:

- 2.1 Authorise the Head of Corporate Governance to award the following contract under the Scotland Excel Framework for the Treatment of Recyclable and Residual Waste (Contract Schedule Number 14-13):
 - Treatment of Co-Mingled Dry Recyclates to Regen Waste Ltd for a one year period.
 - Spend on this contract is estimated at £1,317,345 (however the actual spend will vary depending on the actual tonnage of co-mingled dry recyclates collected from households).
 - 2.2 Note that the contract will commence on 15 June 2015 to 14 June 2016.
 - 2.3 Note that an interim arrangement for the Treatment and Disposal of Co-Mingled Dry Recyclates with William Tracey Limited was implemented on 7 April 2015 following a contract default by the Councils Contractor for this service. Spend through this arrangement is estimated to be in the region of £250,000
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3. Background

- 3.1 Following a contract default by the Councils Contractor for the Treatment and Disposal of this waste stream the Council required to put in place a temporary arrangement.
- 3.2 In accordance with clause 7.1(c) of the Contract Standing Orders (exemptions / special arrangements for emergency circumstances) and owing to the fact that under the Environment Protection Act 1990 and the Controlled Waste Regulations (CWR) 1992, local authorities have a statutory duty to collect all household waste, an interim arrangement was agreed with William Tracey Limited to treat and dispose of the Council's Co-Mingled Dry Recyclate Waste.
- 3.3 This interim arrangement commenced on 7 April 2015 and will expire on commencement of a new contractual arrangement. Spend during this time will be in the region of £250,000.
- 3.4 A mini competition has been conducted under the Scotland Excel Framework to award a short term contract to allow sufficient time to develop a contract

strategy for a longer term arrangement for the treatment and disposal of co-mingled dry recyclate.

3.5 This mini competition exercise complied with the Council's Standing Orders Relating to Contracts.

3.6 The mini competition was carried out under Scotland Excel Framework for the Treatment of Recyclable and Residual Waste. The mini competition was issued to total of three companies under lot 8 of the framework.

3.7 On the closing date for the return of the tender, 12pm on Monday 11 May 2015, the three companies that submitted a response were:-

- Binn Skips Ltd
- Regen Waste Ltd
- William Tracey Limited

3.8 The three companies were evaluated using the following award criteria:-

- Commercial – 85%
- Technical – 15% with the technical evaluation scores achieved under the Scotland Excel Framework being applied to their offer under this mini competition.

3.9 The scores relative to the Award Criteria of each is noted below. Regen Waste Ltd was identified as the bidder who had submitted the most economically advantageous tender.

Tenderer	Price (85%)	Technical (15%)	Total Score (100%)
Regen Waste Ltd	85%	13.25%	98.25%
William Tracey Limited	73.03%	13.50%	86.53%
Binn Skips Ltd	71.51%	13.50%	85.01%

3.10 The Council's anticipated spend under the contract recommended for award following this mini competition is £1,317,345 however the actual spend on this contract will vary depending on the actual tonnage of co-mingled dry recyclates collected from households and the actual levels of contamination.

3.11 The costs associated with this contract will be funded during 2015/16 through the Council's existing strategic waste management reserve. The ongoing recurring costs of managing CDR will require to be incorporated into the Council's base budget moving into 2016/17.

- 3.12 Note that Regen Waste Ltd will sub contract the reception of the CDR to a local supplier who was involved in the previous contract and employed staff accordingly. This provides continuity for those staff and maintains local employment.
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Implications of the Report

1. **Financial** – Costs of this contract will be dealt with as detailed in 3.11. The financial status of Regen Waste Ltd was assessed, and satisfied the Council's requirements
 2. **HR & Organisational Development** – None
 3. **Community Planning** – Regen Waste Ltd have committed to promoting sub-contracting opportunities as outlined in Section 3.12 of the report.
 4. **Legal** – The procurement exercise has been carried out in compliance with Council Standing Orders and EU Procurement legislation requirements.
 5. **Property Assets - Property Implications** – Not Applicable
 6. **Information Technology** – No ICT implications.
 7. **Equality & Human Rights** – Regen Waste Limited Equality & Human Rights has been assessed under the Scotland Excel Framework for the Treatment of Recyclable and Residual Waste and confirmed their compliance with their statutory obligations in respect of Equality and Human Rights.
 8. **Health & Safety** – Regen Waste Limited Health & Safety has been assessed under the Scotland Excel Framework for the Treatment of Recyclable and Residual Waste to ensure that they met the minimum requirements regarding Health & Safety.
 9. **Procurement** – The procurement procedure outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and Modern Government.
 10. **Risk** – None
 11. **Privacy Impact** – Not Applicable
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List of background papers

(a) None

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