

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 25 January 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor Altany Craik (Fife Council): Councillor Angus Douglas (Angus Council): Councillor Amanda Hawick (Shetland Islands Council): Provost William Howatson (Aberdeenshire Council): Councillor Graham Hutchison (City of Edinburgh Council): Provost Norman Macdonald (Comhairle Nan Eilean Siar): Councillor Alister Mackinnon (Highland Council): Bailie Norman MacLeod (Glasgow City Council): Councillor Collette Stevenson (South Lanarkshire Council): Councillor Stephen Thompson (Dumfries & Galloway Council): Councillor John Shaw (Renfrewshire Council) (Convener):

Video Conferencing

Should any member wish to participate using video conferencing please contact Lesley Jones on 0141 618 7444.

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

To Follow Item

I refer to the agenda for the meeting of the Scotland Excel Executive Sub Committee to be held on Friday 25 January 2019 at 10.45am and enclose the undernoted report relative to item 3(e) previously marked 'to follow':

Items of business

- 3(e) Contract for Approval - Treatment and Disposal of
Recycle and Residual Waste** 1 - 6
- Report by Director of Scotland Excel.

Scotland Excel

To: Executive Sub Committee

On: 25 January 2019

**Report
by
Director Scotland Excel**

Tender: Treatment and Disposal of Recyclable and Residual Waste

Schedule: 27/17

Period: 11 February 2019 until 10 February 2024 (with option to extend until 10 February 2026)

1. Introduction

The purpose of this report is to update the Executive Sub-Committee on the progress of the tender to set up a Dynamic Purchasing System (DPS) for the Treatment and Disposal of Recyclable and Residual Waste, as approved by Committee on 24th August 2018, (and can be found via this link: [report](#)) and to request approval to the Director of Scotland Excel be granted the appropriate delegation of authority to appoint new entrants to the DPS during its lifetime as detailed in this report.

2. Background

As detailed in the Executive Sub-Committee paper presented on the 24th August 2018, the introduction of this Dynamic Purchasing System will secure the provision of assorted services for the treatment and disposal of various waste related materials commonly collected by Councils. As the first DPS used by Scotland Excel as an organisation, this provides an alternative to a framework model that offers a number of key benefits that will help Councils meet their operational service needs within a landscape of policy change and market uncertainty. Overall, this offers a service delivery option for Councils that will be relatively easy to use and will cover a number of requirements at a national level.

3. Scope Participation and Spend

The DPS has been structured to include services for a host of materials commonly collected by Councils which need further treatment and/or disposal. The Lot categories are shown in the table below:

Figure 1:

Lot	Short Description
Lot 1	Treatment of Co-mingled Mixed Recyclate
Lot 2	Treatment of Paper, Cardboard, News & PAMs (separate and/or mixed)
Lot 3	Treatment of Glass (separate and/or mixed)
Lot 4	Treatment of Cans (Mixed, Aluminium or Steel)
Lot 5	Treatment of Plastic Containers
Lot 6	Treatment of Mixed Rigid Plastics
Lot 7	Treatment of Scrap Metal
Lot 8	Treatment of Shredded and Non-Shredded Wood
Lot 9	Treatment of Textiles
Lot 10	Treatment and Recycling of MRF Outputs
Lot 11	Treatment and Disposal of Bulky Waste
Lot 12	Treatment of Plasterboard (Gypsum)
Lot 13	Treatment and Disposal of Inert Wastes and Rubble
Lot 14	Treatment and Disposal of Gas Bottles
Lot 15	Treatment and Disposal of Tyres
Lot 16	Treatment and Disposal of "Special Waste"
Lot 17	Treatment and Disposal of Street Sweepings and Gully Waste
Lot 18	Removal and Treatment of Leachate and Interceptor Waste
Lot 19	Treatment and Disposal of Engine Oil and Hydraulic Fluid
Lot 20	Treatment and Disposal of Cooking Oil and Solid Fats
Lot 21	Treatment and Disposal of Residual Waste
Lot 22	Treatment and Disposal of MRF Offtakes

Twenty-six of the thirty-two Councils in Scotland awarded contracts under the previous Scotland Excel arrangement that expired on 31st May 2018 (despite a number of pre-existing external projects and in-house arrangements). The DPS has been advertised for use by all thirty-two Councils. The scope and breadth of services available via this DPS, as well as the structure and flexibility of the process to award and ability to allow new entrants throughout its lifetime, will help to ensure participation remains high.

Given the above, the value of DPS spend and any income generated under it could vary greatly depending on market conditions, potentially including any Brexit impacts and Government policies, including Scotland, the UK and other nations, preferred treatment processes, material type, quality of material, operational requirements, transportation and contamination levels.

The DPS has been advertised at an estimated value of £200million over its lifetime taking account of its duration and increased scope in relation to the recently expired framework that this DPS will replace. It is expected that material falling under the categories of "Residual Waste" and "Co-mingled Mixed Recyclate" will continue to attract the highest spend, circa 70% whilst categories catering for separately collected materials such as Paper, Metal, Glass and Textiles would be expected to generate the highest income. It should be noted however that no guarantee of any business is given under the DPS.

Although commercial information will be the responsibility of individual Councils, Scotland Excel will engage with users to monitor pricing and index in line with reported figures via the Waste and Resources Action Programme (WRAP) Materials Pricing Report, in order to assist in monitoring the DPS's overall value in comparison to the available market.

4. Procurement Process

A PIN notice was issued on 17th May 2018 informing the market of Scotland Excel's intention to issue a DPS and a Service Provider information event took place at St Mirren Park, Paisley on 14th August 2018. Following Committee approval to pursue the DPS route to market on 24th August 2018, the Procurement Strategy was approved on the 17th September 2018. Following preparation and approval of necessary documentation, a Contract Notice was issued on 11th December 2018 that detailed the required services the DPS is seeking and invited service providers that considered themselves suitably qualified to deliver those services, to complete a qualification process, which if successful in passing, would grant them access to Contract opportunities issued under the DPS.

The qualification stage assesses service provider's suitability to deliver service, and evidence their ability to meet mandatory requirements including appropriate licensing, insurances and quality and environmental policies, as well as taking due consideration of previous experience, history of regulatory related performance and history of convictions, bankruptcy and public contract performance via the completion of the European Single Procurement Document (ESPD) and provision of supplementary evidence.

A list of service providers requesting to be granted access to the DPS by adequately evidencing their ability to meet the defined qualification criteria is provided in Appendix 1. Note: Subject to final clarifications and licence verification.

Following establishment of the DPS, when awarding contracts, Councils will be able to issue an Invitation to Tender to those recommended service providers granted access to the DPS and evaluate technical and commercial responses as required for their own individual operational needs and service requirements, including, but not limited to, Community Benefits, Added Value and Fair Working Practices.

5. Mobilisation and Management

As a new route to market for Scotland Excel and many Councils, a detailed mobilisation plan will be delivered to Council's as their current contract arrangements conclude and they opt to migrate to the DPS.

Tools to assist in directing Councils how to use the DPS to its fullest potential will include user guides, training, direct support to individual Councils that request assistance as well as associated document templates including contract terms and conditions and technical questions.

The DPS Terms and Conditions clearly outline the requirement for service providers awarded contracts via the DPS to provide Management Information to Scotland Excel on a quarterly basis or as required. In addition, the Scotland Excel Environment Category Team will meet service providers on a regular basis, building and maintaining professional relationships to encourage smooth operation of the DPS and ensure that service providers are operating as required under contracts awarded.

Furthermore, Scotland Excel will on at least an annual basis confirm that all documents and licences linked to qualification criteria remain live and correct, safeguarding peace of mind for those Councils wishing to award contracts. As detailed in section 6 of this report, the Scotland Excel Environment Category Team will evaluate service providers that complete the qualification process as “new entrants” during the lifetime of the DPS.

Note: Scotland Excel reserves the right as per the Regulations, to request resubmission of the ESPD as and when required, (with minimum 5 days’ notice) ensuring service providers granted access to the DPS remain suitably qualified throughout.

6. New Entrants

As highlighted in the report approved by members on 24th August 2018, a key outcome of the DPS route to market is a facility to allow new entrants offering services throughout the lifetime of the arrangement and thereby not “lock-out” new service providers who can meet the regulatory requirements and potentially offer best value to Councils.

As such, following commencement of the DPS, a second Contract Notice will be issued, inviting new entrants to complete the qualification process. This invitation will remain open throughout the lifetime of the DPS and as stated in the aforementioned report, approval of new entrants will be the responsibility of Scotland Excel.

New entrants will complete the qualification process and if evaluated as meeting requirements, will be granted access to the DPS, allowing them to compete for contract opportunities issued under it.

The Public Contracts (Scotland) Regulations 2015 require that service providers putting themselves forward to be granted access to the DPS must be informed of their success or failure within a maximum of 10 days following completion and submission of the qualification documents. (Regulations 35, (13) and (14) of the aforementioned Regulations).

In order to remain compliant with this statutory requirement, it is essential that Scotland Excel evaluate and notify respondents of the outcome in as timely a manner as possible. As Committee will clearly be unavailable at 10 days’ notice or less each time a new entrant or entrants apply to access the DPS, this report will therefore recommend that the Director of Scotland Excel be granted the appropriate Delegated Authority to approve such decisions and that the

Executive Sub-Committee be updated on status of available service providers on an annual basis via incorporation to the Annual Procurement Report.

7. Recommendation

The Executive Sub Committee are requested to:

- (a) Grant Delegation of Authority to the Director of Scotland Excel (or Head of Strategic Procurement in the Director's absence) to approve the evaluation outcome of initial respondents and any new entrants that complete the Qualification process for entry to the Dynamic Purchasing System during its lifetime, ensuring compliance with the applicable procurement rules including the statutory 10-day maximum period for evaluation and notification of outcome; and
- (b) Approve Scotland Excel's proposal that the Executive Sub-Committee be updated on the status of available service providers on an annual basis via incorporation into the Annual Procurement Report.

Appendix 1 – Stage 1 Respondents

Service Provider Name	SME Status	Location	Lots Submitted
A & M Smith Skip Hire Limited	Micro	Aberdeen and North East	1-10
Acre Industrial & Cleaning Services Limited	Medium	Glasgow and Strathclyde	11-13, 16-18, 20
Accident Repair Centre (Scotland) Limited (t/a) Arc Fleet Management	Small	Glasgow and Strathclyde	1-2, 4, 7-8,
Avondale Environmental Limited	Large	Tayside Central and Fife	10, 16, 21-22
AW Jenkinson (Woodwaste) Limited	Medium	Edinburgh and Lothians	8
Ayrshire Waste Management Limited	Micro	Glasgow and Strathclyde	1-11, 13, 21-22
Barr Environmental Limited	Medium	Glasgow and Strathclyde	1-18, 21-22
Associated Waste Management Limited	Large	England	3-11, 13, 21-22
Biffa Waste Services Limited	Large	England	1-2, 4-11, 13, 17, 21-22
Binn Skips Limited	Medium	Tayside Central and Fife	1-15, 21-22
Buchanan Skip Hire LTD.	Small	Edinburgh and Lothians	1-13, 15, 17, 21-22
Changeworks Recycling Limited	Medium	Edinburgh and Lothians	1-5, 7, 9-11, 14, 16, 21-22
Docherty & Lafferty Limited	Small	Glasgow and Strathclyde	3-4, 7, 11, 15
Dow Group Limited	Medium	Glasgow and Strathclyde	1-22
Enviroclean (Scotland) Limited	Medium	Glasgow and Strathclyde	13, 16-18
FCC Recycling (UK) Limited	Medium	England	11, 13, 17-18, 21-22
Geminor UK Limited	Medium	England	21
Gogar Services Limited	Medium	Tayside Central and Fife	18
Green Circle Polymers Limited	Medium	Tayside Central and Fife	4-5
J. and A. Young (Leicester) Limited	Medium	England	5-6
J & B Recycling Limited	Medium	England	1-6, 10, 21-22
J. & M. Murdoch & Son Limited	Medium	Glasgow and Strathclyde	1-8, 10-13, 16-20
John Graham (Metals) Limited	Small	Tayside Central and Fife	7
Levenseat Ltd.	Medium	Edinburgh and Lothians	1, 3-8, 10-11, 13, 15, 17, 21-22
Locheil Logistics Limited	Small	Highland and Islands	1-8, 10-13, 17, 21-22
Lowmac Alloys Limited	Medium	Glasgow and Strathclyde	1-22
MVV Environment Limited	Large	England	8, 10-11, 17, 21-22
Nathans Waste Savers Limited	Medium	Tayside Central and Fife	9
Palm Recycling Ltd	Medium	Glasgow and Strathclyde	1-5, 10, 22
Patersons of Greenoakhill Limited	Large	England	11, 13, 21
Recycling Lives Limited	Large	England	4, 7
Regen Waste Limited	Medium	Northern Ireland	1-6, 10, 21
Resouce Efficient Solutions LLP	Medium	Tayside Central and Fife	1-2, 4-5, 7, 11, 13, 17, 21-22
Safety-Kleen U.K. Limited	Large	England	11, 14, 16, 19-22
Saica Natur Uk Limited	Large	England	1-2, 5-6, 10
Scotwaste Recycling Limited	Medium	Edinburgh and Lothians	1-8, 10-13, 15
SUEZ Recycling and Recovery Uk Ltd	Large	England	1-17, 21-22
Smurfit Kappa Uk Ltd	Large	Glasgow and Strathclyde	2
Stobart Biomass Products Limited	Large	England	1-22
Enva Scotland Limited	Large	Glasgow and Strathclyde	1-22
Timberpak Limited	Large	Glasgow and Strathclyde	8
Viridor Waste Management Limited	Large	England	1-5, 8, 10-11, 13, 21-22
Ward recycling Limited	Medium	England	1-7
William Munro Construction (Highland) Limited	Small	Highland and Islands	1-13, 16-17, 21
William Thompson & Son (Dumbarton) Ltd	Medium	Glasgow and Strathclyde	13, 17
Wood recyclability Ltd.	Micro	Aberdeen and North East	5-6, 8
WRC Recycling Limited	Medium	Glasgow and Strathclyde	1-7, 9-10, 13, 22
Wyllie Recycling Limited	Small	Tayside Central and Fife	1-2, 4-6