

Decision Maker: EXECUTIVE

For Pre-Decision Scrutiny by the Environment & Community Services
PDS Committee on:

Date: 20th November 2018

Decision Type: Non-Urgent Executive Key

Title: AWARD OF CONTRACTS FOR WASTE DISPOSAL, WASTE
COLLECTION, STREET ENVIRONMENT AND PARKS
MANAGEMENT & GROUNDS MAINTENANCE

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Chief Officer: Executive Director of Environment & Community Services

Ward: All;

1. Reason for report

- 1.1 This report requests approval to award a contract for the provision of Waste Disposal, Waste Collection, Street Environment and Parks Management & Grounds Maintenance.
 - 1.2 This report accompanies a Part 2 report also being considered on this agenda.
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2. RECOMMENDATIONS

2.1 Members of the Environment & Community Services PDS Committee are asked to review and provide their comments on the proposal for the award of the Environmental Services contracts (Lots 1- 4), to the Executive for their consideration.

2.2 Executive are asked to:

- i) Award Lots 1 – 4 for a contract period of 8 years, with the option to extend for a further 8 years.

Impact on Vulnerable Adults and Children

1. Summary of Impact: An Equality Impact Assessment indicates that it is not expected that there will be any adverse impact from commissioning the environment service on vulnerable adults or children and young people. This is because the contract documents ensure that existing service levels are protected.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council : Quality Environment
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Financial

1. Cost of proposal: included within Part 2 report
 2. Ongoing costs: included within Part 2 report
 3. Budget head/performance centre: Various within Street Scene and Green Space
 4. Total current budget for this head: £31.8m
 5. Source of funding: Core Revenue Budget 2019/20 which includes 3% inflation
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 - a) Waste Collection Authorities (WCAs) duty to collect residual waste (EPA 1990 Ch. 43 Part 2)
 - b) WCA duty to collect three items for recycling (Household Waste Recycling Act 2003)
 - c) Duty under Waste Regulations (England & Wales) 2011 requires separate kerbside collection of paper, glass, metals and plastics
 - d) Duty on WCAs to provide free-to-use household waste recycling facilities 'reasonably accessible to persons resident in the area'
 - e) Duty to dispose of Municipal Waste (EPA 1990)
 - f) Duty as Principal Litter Authority to remove refuse and litter from public areas: Environmental Protection Act 1990
 - g) Duty to remove abandoned vehicles Road Traffic Regulation Act 1984 Section 99 and Refuse Disposal (Amenity) Act 1978
 - h) Duty to ensure the safe passage of users of the highway according to the Highways Act 1980

i) Duty to maintain the Highway (Highways Act 1980 section 41)

2. Call-in: Applicable:

Procurement

1. Summary of Procurement Implications: This tender was a competitive procedure with negotiations completed using a two stage process i.e., pre selection and invitation to tender. As well as negotiating on the basis of a compliant bid opportunities were also offered for tenderers to make “variant bids” for consideration by the Council. In addition options were given over an 8 and 16 year period agreed at the Councils volition.
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Customer Impact

1. Estimated number of users/ beneficiaries (current and projected): All residents

Ward Councillor Views

1. Have Ward Councillors been asked for comments Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

1. COMMENTARY

3.1 On the 8th February 2017 the Executive agreed the lotting structure and procurement route for the Environmental Services contracts as set out below:-

Competitive Procedure with Negotiations

- Lot 1 - Waste Disposal
- Lot 2 - Waste Collection
- Lot 3 - Street Environment
- Lot 4 – Parks Management & Grounds Maintenance

3.2 Further Lots 5 -7 were offered using a more standard restricted process. These covered Arboriculture, Highways Major and Minor works. The Highways Major and Minor contracts have been awarded and reported to members separately. The procurement of Arboriculture is in process and due to be awarded in January 2019.

3.3 The tender documents were published on the 18th January 2018 under a negotiated procedure, with Supplier Shortlisting stage at the end of March and expressions of interest to be returned by the middle of June 2018.

3.4 The providers were asked to submit a “compliant” bid based on the current service specification and the Councils published contract document which provided for the Councils minimum requirements under the negotiated process. Also included was an option to providers to submit bids on a “variant” basis, which the Council could consider if it was considered to provide a more cost effective service. This was to enable the Council to explore options around changes to the service provision if required, in light of the significant future years budget gap facing the Council, reported to Executive on 7th February 2018 as part of the 2018/19 Council tax report.

3.5 The selection criteria tender process (short listing) is made up of different stages with the Selection Questionnaire being stage 1, consideration of the “compliant bids” stage 2 and then consideration for “negotiation and variant bids” stage 3.

3.6 Whilst there were 48 initial expressions of interest, only 8 providers submitted the Selection Questionnaire for the first round. Of this one provider was not taken through to the next stage leaving 7 providers invited through to the second stage of which 5 providers submitted their initial tender bids back in June.

3.7 The bids received in June were:-

Lot 1 - Waste Disposal

Suez – Compliant Bid only

Veolia – Compliant Bid and 2 Variant Bids

Cory – Compliant Bid and 1 Variant Bid

Lot 2 - Waste Collection

Veolia – Compliant Bid and 2 Variant Bids

Lot 3 Street Environment

Veolia – Compliant Bid and 2 Variant Bids

Lot 4 Parks Management & Grounds Maintenance

Glendale Countryside – Compliant Bid

idverde – Compliant Bid

Veolia in Consortium with *idverde* – Compliant Bid and Variant Bid

- 3.8 The Council agreed a 60% Finance and 40% Quality evaluation criteria for the evaluation of the initial tenders with a number of agreed qualitative criteria for the 40% score broken down as follows:-

	Compliant %	Variant %
1 Financial Resources and Contract affordability	10	10
2 Quality and Operational competence	25	20
3 Technical Ability	25	20
4 Health & Safety	5	5
5 Customer Care/Service Development	25	20
6 Sustainability	10	10
7 Deliverability of proposals	0	15
	100	100

- 3.9 The Tender process, including the evaluation arrangements were overviewed by a Management Board, Chaired by the Director of Commissioning and included Lead officers from Procurement, Legal and the Services area. A separate group of officers, with the necessary expertise carried out the initial evaluation of the tender proposals received, with the Management Board then separately carrying out any resulting negotiations. The outcomes from the negotiations were then reassessed and rescored as required by the Evaluation Panel, before being incorporated in to the final evaluation and scoring process.
- 3.10 Throughout June and July officers have reviewed all the tenders received and corresponded with the providers on elements of their bids to clarify any areas of uncertainty or corrections required to the Form of Tenders. They have also taken additional Client references and visited reference sites as considered necessary. On the Variant bids where the providers have marked up changes they would require to the contracts and specifications, officers have considered the proposed changes and there potential impact as part of the evaluation process.

4. POLICY IMPLICATIONS

- 4.1 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to provide efficient & effective services and value for money to our residents.
- 4.2 The Environment Portfolio Plan 2016-19 identifies commencement of a programme of activity to commission Environment Services.

5. PROCUREMENT IMPLICATIONS

- 5.1 The Tender process for the Environment Contracts has been conducted in compliance with the Public Contract Regulation 2015, as appropriate, for a Competitive Tender Procedure with Negotiation.

- 5.2 As identified in the Contract OJEU Notice, the evaluation of submitted tenders, including Variant bids and any Negotiated proposals made, has been completed in line with the Councils standard tender evaluation procedure, which views financial and quality matters in line with its pre-tender estimate of value and its stated quality criteria. A minimum quality score was also incorporated into the evaluation process in viewing quality matters, which also considered any additional value provided from bidding across several Lots.
- 5.3 The tenders were evaluated by a number of Council officers with scoring being overviewed and moderated, as necessary by a member of the Corporate Procurement Division in arriving at a consensus score for the panel.

6. FINANCIAL IMPLICATIONS

- 6.1 Please see Part 2 (exempt) report for further details on the financial implications.

7. PERSONNEL IMPLICATIONS

- 7.1 At this stage there are no personnel implications for staff employed directly by the Council.

8. LEGAL IMPLICATIONS

- 8.1 This report seeks review and comments by the Environment and Community Services Policy Development and Scrutiny Committee on the proposals to award four contracts for the provision of Environmental Services within the Borough.
- 8.2 The tender process was carried out pursuant to the **Public Contracts Regulations 2015**, procuring the contracts using a competitive procedure with negotiation which is a compliant procedure under Regulation 29.
- 8.3 Pursuant to Rule 5 of the Council's Contract Procedure Rules the Executive was formally consulted on the intended action and contracting on 8th February 2017
- 8.4 The Council as the waste authority has a duty to have general conformity with the Mayor's policies and proposals concerning municipal waste that are set out in the London Environmental Strategy, providing information to the Mayor about how the proposed waste contracts conform with the Strategy. The project team liaised with the London Mayor's office on the tender in compliance with this requirement and approved appropriate wording was included in the documentation.
- 8.5 The tender documents and the contracts ensure compliance with the Council's duty to achieve Social (Social value - Public Sector (Social Value) Act 2012) and Best Value (Local Government Act 1999) as well as the Equality Act 2010.
- 8.6 Once the contract award is formally made by award letter, the usual 10 days' 'Alcatel' standstill period applies before the contract can be entered into; a contract award notice must be published in the usual way, and unsuccessful bidders notified with the statutory details.
- 8.7 Contract documents should be finalised by Legal Department before signing by the contractor, and sent back to Legal Department for sealing.

Non-Applicable Sections:	Personnel,
Background Documents: (Access via Contact Officer)	Report to Executive on the 6 th December 2017, supporting papers for the tenders and evaluations held in Commissioning & Finance teams

