

**REPORT TO THE MEETING OF THE EXECUTIVE 3 FEBRUARY 2021**

**PORTFOLIO: ENVIRONMENT**

**REPORT FROM ASSISTANT DIRECTOR, PLACE & ENVIRONMENT**

**SUBJECT: WASTE COLLECTION & STREET CLEANSING  
CONTRACT**

**1 DECISION BEING RECOMMENDED**

- 1.1 To agree a 3-month extension to the existing Waste Collection and Street Cleansing contracts to the end of July 2022, to allow sufficient time for a procurement process to be undertaken.
- 1.2 To approve a budget of £20,000 to appoint external legal advisers to provide advice on contract strategy and preparation of legal documentation.
- 1.3 To note the key terms to be included in the tender of the waste collection and street cleansing contract as set out in this report and note the timetable for the tendering process.
- 1.4 To note the proposed procurement route of Competitive Procedure with Negotiation and the tender evaluation based on 60% price; 40% quality scoring criteria and the use of the evaluation criteria set out in Exempt Appendix 2.
- 1.5 To note that the street cleansing service will be included within any waste collection service contract.

**2 KEY DECISIONS DOCUMENT REFERENCE No: 10/20**

**3 REASON/S FOR RECOMMENDATION**

- 3.1 The Council's waste management and street cleansing contracts with SUEZ Environmental are due to end in April 2022, following 14 years of service provision. This report requests a further 3 month extension to that contract term to the end of July 2022 and summarises the key aspects of the new contract terms which the Council aims to procure with effect from August 2022 alongside the high level timetable for the procurement process.
- 3.2 Under the terms of the Environmental Protection Act 1990, the Council is classed as a Waste Collection Authority and as such has a statutory duty to collect household waste from all domestic properties in the District. The Council is also required to meet the requirements of the European Commission's Waste Framework Directive as transposed into domestic law by the Waste (England and Wales) Regulations 2011 in relation to recycling collections and material streams.

- 3.3 On 3 September 2019 the Review Committee resolved to form a Member Working Group to consider the requirements for the new waste and recycling contract and to bring forward recommendations for the procurement process to Council. This culminated in the production of the Rochford District Waste & Recycling Strategy 2021 – 2028 (the “Waste Strategy”), subsequently approved by Council on 15 December 2020. The proposed specification for the new waste collection service, as summarised in the report below, reflects the agreed aspirations of the recently adopted Waste Strategy.
- 3.4 The Waste Strategy was the culmination of a series of meetings with the Member Working Group over the last twelve months. Members developed and agreed a vision for the Waste & Recycling Service and established what key issues are considered important in improving and taking the service forward.
- 3.5 Subsequent further meetings of the Member Working Group have been held to review the proposed specification of any new waste collection service and the procurement process involved. The recommendations of the Member Working Group to the Executive are reflected within this report.

#### **4 SALIENT INFORMATION**

- 4.1 The waste management and street cleansing contracts are due to expire in April 2022. The waste management contract has a current annual value in excess of £2,000,000; and the street cleansing contract has a current value of approximately £700,000 per year.
- 4.2 The proposed procurement process and timetable for achieving the award and mobilisation of the new waste collection and street cleansing service is set out below. There are three main areas for consideration:
- 1) The timetable for contract award and mobilisation;
  - 2) The aggregation of the waste collection and street cleansing contracts to achieve value for money; and
  - 3) The proposed contract specification.

#### **5 PROCUREMENT TIMETABLE**

##### Procurement Route

- 5.1 The value and nature of the service means that pursuant to the Public Contracts Regulations 2015 (PCR) the Council is under obligation to conduct a Find a Tender Service (FTS) procurement. This is the new UK public procurement process, whereby public opportunities will be published on the UK notification service - FTS. The FTS means new UK opportunities will no longer be sent to the Official Journal of European Union (OJEU). The new FTS procurement process to select the contractor will therefore still be compliant

with the PCR, as well as the Council's Contract Procedure Rules for a contract of this size.

- 5.2 The process is being managed by a project team incorporating specialist officers with external consultants, Ricardo, advising. The Council intends to appoint external legal advisers to provide advice on contract strategy and preparation of legal documentation; initial quotes for the legal support suggest a budget of £20,000 will be required.
- 5.3 The core aspects of the technical specification for a waste collection service are relatively standard across the industry and is not of such a complexity that it requires negotiation or discussion with the contractor. However, it is anticipated that it will be likely that there will be specific aspects of the contract where potential added value or flexibility will require the parties to negotiate in more detail: for example, the detail of a profit-sharing scheme within an optional commercial waste collection service. The points of contract negotiation are summarised below in paragraphs 7.3 to 7.15
- 5.4 The proposed route for procurement is known as Competitive Procedure with Negotiation (CPN), being one of the available statutory procurement routes under the PCR. This procedure allows for the acceptance of a winning bid on first submissions or, if necessary, negotiation (as discussed in paragraph 5.3) with bidders to clarify their submissions prior to final offers being submitted. This also provides a mechanism for the Council to consider whether to incorporate any priced option into the final submissions.
- 5.5 At the conclusion of any negotiations a further progress report will be submitted to the Executive outlining any proposed changes to the contract specification. It should be highlighted that these changes only relate to the specified points of negotiation, with the core specification of the contract remaining unchanged. At this stage, contractors are asked to bid for the finalised tender specification. The finalised contract and tender price will then be presented to the Executive in September 2021 for approval.
- 5.6 It is a suitable procurement route under the PCR and is allowed where "*the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial make-up or because of risks attaching to them*", as is likely to be the case if it is not possible to accept a winning bid without negotiation. The use of CPN is common place for the procurement of waste collection service contracts, and is therefore unlikely to represent a barrier to contractors tendering for the contract.

#### Evaluation Criteria

- 5.7 The PCR (and CPN route) allows the Council to determine what evaluation weighting and criteria it shall use for evaluating tenders; these being published with the procurement documents and therefore made clear to contractors bidding for the contract.

- 5.8 It is proposed by the Member Working Group for tenders to be evaluated on the basis of a 60% price, 40% quality evaluation criteria. This is to reflect the priorities of the Council, placing an emphasis upon the costs of the contract to the Council, recognising that the contract represents a significant proportion of the Council's annual expenditure.
- 5.9 Given that the Council proposes to enhance the service (i.e. introducing separate food waste) any savings on the current service are likely to be negligible. However, if the main goal was to limit the cost then 70/30 (or indeed 80/20, 90/10) is an option; however, the quality is likely to suffer. It is advised that reasonable weight is given to quality, because the contract is of substantial scale and duration which carries significant reputational risk.
- 5.10 This 60/40 split also supports the suggestion from the Council's waste consultant Ricardo that it is appropriate to give a 60% weighting to cost, and 40% weight to quality; this is based on a similar cost/quality weighting being used in recent successful procurement tenders for waste collection services with which the consultant has assisted.
- 5.11 The Executive is asked to note this price/quality split and the quality evaluation process which is set out in Exempt Appendix 2.
- 5.12 The appended project timetable (Exempt Appendix 1) anticipates the procurement process commencing in mid-February 2021, and assuming that an acceptable tender is submitted, the contract would be awarded at the end of September 2021. This only allows six months for any new contractor to order and be supplied with a new fleet of vehicles after the contract is awarded.
- 5.13 A six-month mobilisation period between contract award and commencement is viewed by the waste service industry as the minimal acceptable period. Therefore, it is essential that the procurement process starts by the end of February 2022 at the latest.
- 5.14 Ideally, a longer mobilisation period of nine months would provide a more attractive proposition to potential bidders. To maximise the appeal of the new contract to potential bidders and reduce the risk of a failed mobilisation the Member Working Group recommends incorporating a nine-month mobilisation period into the timetable. To achieve this, it is proposed that the existing contractor is offered a 3-month extension to the existing contract. This is discussed in greater detail below.

Arrangements for a 3-Month Contract Extension with Suez

- 5.15 The Council Officers and Suez's local management have drafted arrangements for a proposed contract extension for 3 months from April 2022 to the end of July 2022.

- 5.16 A draft side-letter has been drafted setting out the contract terms over the extended three-month period. The proposed changes to the contract are minor and are anticipated to have little, if any, impact upon the Council or on residents.
- 5.17 The commercial terms for the extension with Suez have been agreed in principle and legal teams for both parties are now able to finalise the contract documents pending Executive approval.
- 5.18 Usually, an extension of contract beyond the defined contract period would require prior publication through a contract notice in the Find a Tender Service (FTS). There is the ability to let a contract without opening it up to formal competition should it satisfy the relevant criteria as set out in the procurement EC Directive 2004 (still applicable to the UK).
- 5.19 Regulation 72 of the Public Contract Regulations 2015 allows for the extension or modification of a contract during its term subject to certain criteria. It is the view that the criteria are satisfactorily addressed, and will, as part of the process, be set out in detail, at the time of the formal notice of award.
- 5.20 The low value and short-term nature of the contract extension, combined with the demonstrable intent to procure a new contract through the FTS process, removes any likely risk of challenge to the award of the extension. Therefore, the Executive is asked to consider approving the proposed 3-month extension to the existing contract.

## **6 INCLUSION OF THE STREET CLEANSING CONTRACT**

- 6.1 The Street Cleansing Contract commenced on 1 April 2008; the contract is worth approximately £710,000 per annum. The contract is currently due to expire at the end of March 2022.
- 6.2 A previous paper presented to the Executive on 2 September 2020 provided a review of the grounds maintenance and street cleansing contracts.
- 6.3 The review established that the existing grounds maintenance contract with the Council's Local Authority Trading Company, Green Gateway Trading (GM) Ltd has proven to be a cost-effective solution for delivering the grounds maintenance service. A potential opportunity to expand the contract to incorporate the street cleansing service was identified which would align the two services with similar operational requirements with the aim of achieving further savings for the Council.
- 6.4 However, the Executive noted that any conclusion on this matter should be reserved until a full options appraisal had been undertaken, building on the previous scoping exercise set out in the report to Executive in September 2020.

- 6.5 Ricardo was appointed to undertake the options appraisal (Exempt Appendix 4), as previously agreed by the Executive. Ricardo looked at the four options that specifically related to the street cleansing service. These are:
- 1) Stand-alone street cleansing contract;
  - 2) GGT (LATCo) delivering the street cleansing service;
  - 3) Combined waste collection and street cleansing contract;
  - 4) Street cleansing contract - with cleansing element of the ground maintenance contract incorporated into the cleansing contract (this option could be combined with any of the above options).
- 6.6 Of the four options appraised - the benchmarking exercise identified that option 3 (combining the street cleansing service with the waste collection service) would be likely to deliver the greatest saving for the Council – an estimated £30,000 per year. A further £5,000 per year could be saved through incorporating the cleansing element of the grounds maintenance contract into any of the other street cleansing contract options.
- 6.7 The difference between the estimated cost of the different options is relatively low. Given that the Council - has over-time - experienced very few complaints regarding the existing street cleansing service, opting for a similar delivery option in the future would give the greatest certainty (in comparison to the alternative options) of meeting Council aims and resident expectations.
- 6.8 Ricardo also concluded that the removal of the cleansing element from the grounds maintenance contract (litter picking of parks and emptying of bins) did not reduce the viability of the remaining service elements to be let as a separate stand-alone contract. Therefore, it is possible to make unrelated decisions upon the best option for the street cleansing service and the grounds maintenance separately, in the knowledge that both contracts are independently financially viable.
- 6.9 Accordingly, Ricardo concludes that the most cost effective option is to combine the waste collection service and street cleansing service into a single contract and to further include the cleansing element of the existing grounds maintenance contract.
- 6.10 The soft market testing undertaken in preparation for the new waste collection contract (Exempt Appendix 5.) concludes that contractors indicated a definite preference for the inclusion of any potential street cleansing service within any waste collection contract.
- 6.11 It is proposed, therefore, that the waste contract re-procurement incorporates the current street cleansing service. It is proposed that the specification for the

street cleansing contract would reflect the current operational delivery of that service, with minimal change made to the current standards that are achieved.

- 6.12 The proposed 3-month contract extension to SUEZ Environmental would include the street cleansing element of the existing contract.

## **7 PROPOSED CONTRACT SPECIFICATION**

### Service Provision

- 7.1 A summary schedule of all the key terms proposed for the new contract which the Executive is asked to consider and note is set out below.
- 7.2 It is proposed that the 'core' service for the new contract should be:
- a) Alternative weekly collection of residual and mixed recycled waste
  - b) No change to current arrangements for difficult access households, assisted collections, large household collections, bulky waste
  - c) A fortnightly collection of green garden waste free to every household, with provision for this to be amended if the Council decides at any time to introduce an alternative system.
  - d) A weekly collection of food waste in 23 litre food caddies free to every household, in line with the expectation of a new government mandated requirement for food waste to be collected weekly from 2023.
  - e) That the contractor provides a trade waste service as required for the Council to meet its statutory obligations

### Key Contract Terms

- 7.3 Based on feedback from soft market testing, and having regard to the commercial interests of the Council, other key terms for the contract which should be noted by the Executive are:
- 7.4 a) Length of contract to be 8 years plus an option to extend the contract for up to a further 8 years by mutual agreement. This aligns with the lifecycle of the vehicles that will be deployed on the contract and is considered to be the most attractive option to potential bidders (thereby likely to secure value for money bids).
- 7.5 b) A Performance Framework is to be included in the contract which sets out reasonable expectations for both performance and the rectification of errors.
- 7.6 This Performance Framework sets out the Council's process for managing the performance of the contract. The Council's vision is a self-monitoring contract with the onus on the contractor to evidence the level of performance being



achieved and to respond to Performance Failures in a timely fashion to minimise the impact to service users and to ensure a high-quality service is delivered.

- 7.7 It should be noted that within the first twelve (12) Weeks from the Service Commencement Date that the normal default procedure will not apply, recognising the inevitable 'bedding-in' period that is associated with large scale mobilisation results in a level of service disruption.
- 7.8 c) The new refuse freighters and support vehicles are required to meet at least Euro 6 standards of emissions performance. The first all electric powered refuse freighters are only now coming to the market and none of the contractors at soft market testing considered that there can be sufficient confidence that this generation of vehicles will have the range or performance to manage a large rural area such as Rochford district. This will undoubtedly change as technology improves, and when the contract is extended or retendered in 2030 it is highly likely that the new fleet may be electric or some other alternative. For now it could represent a significant cost and service delivery risk to mandate the use of such vehicles. It should be stressed that this does not prevent such vehicles being trialled, tested or introduced to the contract in future by agreement.
- 7.9 d) Tenderers be required to provide a performance bond as part of the tender process which will be priced by them into their contract sum. The option will be included for the Council to agree to substitute a parent company guarantee in place of the bond (with a price reduction accordingly) if the Council considers the successful tenderer can provide a guarantee of sufficient strength.
- 7.10 e) Route optimisation - In order to optimise operational efficiencies, collection rounds will need to be reviewed and re-modelled. In order to optimise operational efficiencies, collection rounds will be reviewed and re-modelled moving towards more efficient area based working. It is anticipated that some households will experience a change to their current collection day.
- 7.11 f) Material Recycling Facility (MRF) – The sorting and sale of the co-mingled dry recyclate is presently contracted to Viridor until March 2022, with an option to extend for up to a further 18 months. The tender process will set out a separate lot against which a contractor can bid for MRF service. This lot will be for the period of 8 years plus a further 8 years by mutual agreement.
- 7.12 g) The policy for excess dry recyclable side waste, will be altered to accommodate the collection of 2 clear sacks of dry-recyclables presented adjacent to the wheeled bin upon the normal collection day.
- 7.13 h) The Council will be responsible for the purchase of wheeled bins and containers; however, the storage, delivery and maintenance will remain the responsibility of the contractor.



Points of Negotiation

- 7.14 As previously outlined in paragraph 5.3, the core aspects of the technical specification for a waste collection service are relatively standard across contracts. However, there may be specific aspects of the contract where potential added value or flexibility could be considered and require a degree of negotiation. The CPN route for procurement will allow aspects of the contract to be discussed, these are set out below.

Charging for Garden Waste Collection

- 7.15 The Executive will be aware that many local authorities (including all bar two other in Essex) already charge for the collection of green garden waste at the kerbside. The provision of a 'free' service (which is of course paid for by all households through Council Tax) is a substantial cost for the Council which may need to be re-evaluated in due course. The contract will therefore contain provisions which would allow the introduction of a charged service at a later date if this becomes Council policy. If such provision is not explicitly included it may not be possible to alter the system until the contract is tendered again.
- 7.16 The Council has included provisional items for separate garden waste collections and providing / delivering containers for the service, should the Council decide to take up this service change during the contract period.
- 7.17 The Council may also decide to charge householders for this service. Should the Council opt for this approach, all charges for the garden waste collection service will be levied by the Council and the contractor will be paid for the provision of the service through the appropriate rates in the pricing schedule of the contract.

Provision of Capital

- 7.18 New waste vehicles will be required as part of the new contract arrangements. All options for procuring new vehicles will be considered as part of the negotiations with potential bidders via the CPN process, to ensure best value for money is achieved for the Council.
- 7.19 Historically the Council's waste contract costs have been reduced by using Council-provided capital to directly purchase the vehicles required for the delivery of the service. This could be an option if sufficient capital funds are available, or alternatively if the Council amends its current Capital and Treasury Management Strategy to permit Council borrowing, a Public Works Loan Board (PWLb) loan could be taken out to finance their purchase. The repayment and financing costs of such a loan would need to be included within the Council's revenue Medium Term Financial Strategy.
- 7.20 If the Council was to procure the vehicles directly themselves (as was done previously in 2015), then it would require undertaking a FTS process or use of a

compliant framework arrangement. There would be a cost associated with such a process and the timetable would need to be considered carefully. The Council would need to be clear how many vehicles of what type were required by the successful bidder. This implies awarding the contract and then subsequently procuring the vehicles; or alternatively deciding on which vehicles the Council will procure in advance of the waste contract being awarded and losing the potential opportunity of contractor innovation by way of service design.

- 7.21 It may be more appropriate for the contractor to purchase their own vehicles; this would then be reflected in the overall contract price. However, it should be noted that private companies are unlikely to be able to raise finance on as favourable terms as local authorities can; and it may therefore be preferable to include an option to on-loan the required financing of the vehicles to the successful bidder of the contract within the contract negotiations. It is estimated by Ricardo, that the offer of such finance typically reduces the overall contract cost by 1 to 2%. This would again require an amendment to the Council's Capital and Treasury Management Strategy to be agreed by Council prior to such an agreement being entered into with a contractor.

#### ICT

- 7.22 There will be expectation for any contractor to use a modern ICT system using in-cab technology which would either interface directly with the Council's systems or give direct access to Council staff to assist in dealing with customer queries etc. working in real-time and is set out within IT specification documentation. Consideration could also be given to making access to this information more generally.
- 7.23 The Council is currently developing its own Customer Relationship Management (CRM) system for capturing data which can be used to liaise with customers who might make enquiries or complaints e.g. in relation to missed collections.
- 7.24 There may be a requirement for the waste collection contractor to build interfaces between the contractor's system and their own system. An alternative approach, particularly if a Council's systems are less sophisticated, is for the Council to have access to the contractor's system and receive reports from it.
- 7.25 As part of the Competitive Procedure with Negotiation (CPN) it is normal for at least one session to involve the tenderers demonstrating their system. Whichever choice is made, provided there is clarity as to what is required and how and when it will be delivered there can be great benefit to the customer in terms of better quality information as well as faster and more economic communication between the Council and the contractor.

#### The National Waste Strategy

7.26 There may be some unavoidable changes to the service as a result of the Department for Food and Rural Affairs' (DEFRA) Resource & Waste Strategy, namely:

- Extended Producer Responsibility (EPR)
- Deposit Return Scheme (DPR)
- Free Garden Waste Service
- Separate Food Waste Service
- New recycling targets for local authorities i.e. achieve 55% recycling by 2025

7.27 The outcomes of the current consultations regarding the items listed in paragraph 7.26 above are currently unknown and as such any impact on the Service is unknown. However, it is possible that the composition of the waste streams is affected in such a way that the volume of material changes significantly on current performance. The contractor will be expected to deliver the service to the standards set out in the technical specification irrespective of unavoidable changes to the service as a result of the Waste Strategy.

#### Commercial Waste Service

7.28 The Council does not currently provide any commercial waste collection recycling service, beyond its statutory duty to provide a collection when requested. The Council may wish to introduce a commercial waste service at any point during the contract.

7.29 The Contractor will be expected to deliver this service in a format agreed with the Council.

## **8 FURTHER CONSIDERATIONS**

#### Workforce Implications

8.1 TUPE transfer of staff between contractors, should that be necessary, is a statutory requirement and the necessary provisions to facilitate this will be included in the contract documents.

#### Property & Asset Implications

8.2 The Council will offer a lease of the depot at South Street Rochford as part of the contract to enable the contractor to operate and maintain their fleet locally. Soft market testing indicated that this would be an attractive offer to potential tenders.

#### Consultation & Communication

- 8.3 Members have participated in a Member Working Group first established in February 2019 which has provided useful feedback on policy and performance concerns and are reflected in the proposed terms for the contract. Members supported the core elements of the waste and recycling service and the arrangements for assisted properties.
- 8.4 The Council has taken an active interest in the recent consultation by DEFRA on the implementation of its Waste Strategy.
- 8.5 A 'soft market testing' exercise has been undertaken to test the interest of potential tenderers in the contract. Six companies took part in the process and provided important information on a range of issues including market conditions, the impact of particular contract terms on their interest in bidding, fleet and equipment options and mobilisation requirements.
- 8.6 Where appropriate, the recommendations in this report seek to ensure that competitive interest is maximised. An anonymised summary of the comments made by contractors at the soft market testing is attached as Exempt Appendix 5.

#### Data Handling Implications

- 8.7 The nature of the waste collection contract is such that some personal data will need to be collected and held to deal with service requests and complaints from householders. This might be held by the Council, the contractor, or possibly shared. The contract documentation will not specify in detail the means or mechanisms for the Council and the contractor to handle this information because it is not proposed to specify that a particular system for processing complaints and service requests is used. The Council and the successful contractor will work together to implement an IT solution which is as streamlined and efficient as possible. Within this process, data protection issues will be considered carefully to ensure compliance with all relevant and necessary legislation and good practice.

#### Communications Plan

- 8.8 A communications plan will support the implementation of the new service to ensure a successful rollout across the district. The plan will aim to ensure that all residents are well informed about what the collection changes mean for them. Different household types will be impacted by the service change in different ways. The communications plan will therefore seek to ensure that each household will receive the right information at the right time.
- 8.9 The Council will use a broad range of channels throughout the campaign. The most significant activity will be a direct mail communication with a calendar to all affected households. This will be supported by an extensive media advertising and editorial campaign; engaging through the full range of social

media platforms; website updates; face to face door-stepping engagement and work with parishes and partners.

8.10 The audience groups will be carefully segmented and detailed consideration will be given to each. At the same time, the communications plan will recognise that different groups within the population will have different motivations and recycling behaviours. Carefully tailored messages will seek to engage with and influence particular groups and reinforce the value of positive behaviours.

8.11 A detailed and updated communication plan will be prepared and agreed in consultation with the Portfolio Holder based on the award of the contract.

## **9 ALTERNATIVE OPTIONS CONSIDERED**

9.1 The Council has already considered its options in relation to the provision of the waste contract and agreed the Waste Strategy on which this report is based.

## **10 RISK IMPLICATIONS**

10.1 There are significant risks involved with the changes to front line services, particularly services that affect every household in the district. The following information highlights risks that have been identified and details how the risks will be mitigated.

10.2 Round Reviews: In order to optimise operational efficiencies, collection rounds will be reviewed and re-modelled moving towards more efficient area based working. It is anticipated that some households will experience a change to their current collection day. However, if possible we would like to introduce a new scheme which keeps the day of collection the same irrespective of what material is collected. At the start of the new service it is likely a minority of households will place their bins for collection on the wrong day. While this should be a short-term risk, good communications and providing additional Contact Centre resource and scaling up staffing levels during the initial period will help mitigate the risk.

10.3 Increased Customer Contacts: During the lead-up to the implementation of the new service it is likely there will be a significant increase in calls to Customer Services and demands for waste audits, with members of the public seeking clarification about the new service and requesting larger bins etc. This risk will be mitigated by recruiting additional temporary Customer Service/Recycling staff to deal with these enquiries.

10.4 Waste Framework Directive (WFD): There is a minimal risk of legal challenge under the WFD if co-mingled (where all types of recycling plastic, cans, glass, paper) collections fail to comply with the standards required under the TEEP process. Were such a challenge to be successful it would be necessary to introduce kerbside sort collections. However, the options analysis undertaken by Ricardo identified a minimal impact on recycling from co-mingling as all

materials are sorted at the MRF. Sorting along many of the rural roads would put staff at serious risk if undertaking such an operation on the roadside. Therefore, it is the view that these proposals meet TEEP requirements.

## **11 ENVIRONMENTAL IMPLICATIONS**

- 11.1 At its meeting on 14 July 2020 Council agreed to approve the Council's Carbon Neutral policy and a target to make the Council's operations 'carbon neutral' by 2030. The Member Working Group has given careful consideration as to how the specification for the service can be adjusted to reduce carbon emissions and enhance the environmental performance of the district.
- 11.2 The disposal of waste and the promotion of recycling are very important issues in promoting greater environmental sustainability and reducing negative impacts on human and animal health and wellbeing, on ecosystems and on the use of natural resources. This has been recognised at a national level with the publication of the Government's Waste Strategy in December 2018 and in the current consultation on measures to implement the strategy.
- 11.3 In addition the Council is part of an Essex wide system of waste collection and management. In particular, the Council is responsible for collecting waste but not for disposing of it. This is the responsibility of Essex County Council and the Council must work with the infrastructure the County provides.
- 11.4 While it is likely that there are other measures that Members might wish to see as part of the contract, such as the collection of a wider variety of plastics for recycling, these are dependent on the waste management authority, or some other organisation, providing cost effective infrastructure for their handling and recycling.

## **12 RESOURCE IMPLICATIONS**

- 12.1 The Council has a statutory duty under the Environmental Protection Act 1990 to provide an efficient service for the collection and disposal of household waste (including provision for recycling) and must budget to fulfil this basic requirement. Tenders received will therefore determine the budget provision which must be made from 1 July 2022 and any impact on the MTFS cannot be known with certainty until the procurement exercise has been concluded.
- 12.2 The tender package offered to the market will incorporate the choices the Council makes on the contract specification and the prices offered by tenderers will reflect their pricing of the services the Council requires.
- 12.3 Where the Council is uncertain as to whether a service component would be affordable and wishes to test market pricing, it is prudent for this to be included as a 'priced option' in the tender process. This allows the Council to incorporate these if sufficient budget provision is available. The outcome of the tender

process will provide the Council with the financial information on which decisions can be based.

- 12.4 As outlined in paragraph 7.18 onwards, The Council will also need to consider how it will finance the waste vehicles required as part of the new contract arrangements via the CPN process and build any financial implications into the MTFS as appropriate. This may require an amendment to the Council's current Capital and Treasury Management Strategy if borrowing is required.

### **13 LEGAL IMPLICATIONS**

- 13.1 The statutory duty to collect and dispose of household waste is explained in the body of the report.

- 13.2 Regulation 72 of the Public Contract Regulations 2015 allows for the extension or modification of a contract during its term in certain cases as listed within the legislation. In this case, the extension of the contract could fall under both Regulation 72 (1) (b) and (c):

(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or
- (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;

(c) where all of the following conditions are fulfilled:—

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract;
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

### **14 EQUALITY AND DIVERSITY IMPLICATIONS**

- 14.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.



LT Lead Officer Signature:  \_\_\_\_\_

Marcus Hotten

Assistant Director, Place & Environment

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**Background Papers:-**

None

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If you would like this report in large print, Braille or another language please contact 01702 318111.

**Appendix 3 - Summary of Collection Service**

<b>Operational procedure</b>	<b>Policy details/comments.</b>
Hours and days of operation	Collections from 7:00 am Monday to Friday;
Alternative weekly/ fortnightly/ seasonal collection	Contractors have obligation to collect; to cover alternate weekly collection, alternate fortnightly collection for recycling streams, Christmas and Bank Holiday alternate collections.
Side waste policy	Contract states no side waste to be collected for any waste container – However, some residents expect a side-waste collection for recycling, and consequently recycle side-waste is still being collected ; Waste containers lid must be closed; and other Excess waste will be placed back into empty bin for next collection.
Plastic materials collected	Pots, tubs, trays and bottles will be collected as a minimum. Other materials such as films, tetrapak, carrier bags and hard plastic will be introduced if the disposal technology allows this to be done efficiently in the future.
Missed collection	If collection missed by Council's waste collection crew needs to be reported within 2 working days; and will return to collect within a further 2 working days.
Waste container specification	Council's has a duty to collect waste but ability to stipulate the type of containers to be used.
Additional waste capacity (medical and large family)	Recycling - If family of 5 or more = extra 120 litre capacity; (i.e. 360 litres bin); Refuse – 2 or more children in nappies, or adult in incontinent pads, larger bin will be provided; If there is a medical need extra bins are provided (dependant on circumstances) free of charge; Application process and assessment; and review all current recipients on an annual basis when resources allow.
Assisted collection	medical requirements (infirm, impaired movement), Collection of all bins from property and return to same position by the Council's waste collection crews; There is an application process and assessment; and Review all current recipients on annual basis when resources allow.
Waste containers storage and management	Resident's responsibility to store, secure and manage their own containers; Bins owned by the Council; Require storage on resident's property where available; Responsibility to not block pavement or cause

	obstruction; and present bins at the kerbside on collection day (unless assisted collection) by 7.00 am.
Replacement bin policy	<p>Bin swap – free replacement for homes with no bins to swap, but will be issued with old returned bins. If the resident prefers to have a new bin, a fee is payable and any new replacement bins or supply of bins to new property.</p> <p>All new build property owners / developers will need pay for the bins.</p> <p>Any bins which are lost or damaged will need to be paid for by the resident (resident's responsibility to manage and secure bins);</p> <p>The first time a bin is stolen it will be replaced for free. After that the charge will apply.</p> <p>Any bins which are damaged by the Council's crew or collection vehicle will be replaced free of charge. The crew will report any bins damaged by them.</p>
Flats/HMOs/ restricted size properties	Request for alternative bins will be considered on an individual basis taking account of the household and also the dwelling / available storage / access. Flats and complexes will be individually assessed.
Contamination	<p>No waste to be collected if any of the waste collection containers/bins are contaminated;</p> <p>Residents will be informed;</p> <p>Residents need to remove contamination;</p> <p>Return policy for collection once contamination removed (next collection).</p>