

Subject:	The Council's Corporate Commercial Waste and Recycling Service Provision		
Date of Meeting:	13 October 2016		
Report of:	Executive Director Economy, Environment & Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 On 10th July 2014 Policy & Resources Committee granted delegated authority to the Executive Director, Finance & Resources to approve the procurement and award of a contract for the supply of the council's commercial waste refuse disposal and recycling with a term of up to a maximum of four years.
- 1.2 This report provides an update to Committee on the proposed new arrangements for the supply of the council's commercial waste refuse, disposal and recycling services to Brighton & Hove City Council's (the 'council's') civic offices, social care, historic, operational and commercial buildings having assessed the delivery options available to the council for this service.
- 1.3 The purpose of this report is to seek approval for Cityclean to provide the council's commercial waste refuse, disposal and recycling services for the council's civic offices, social care, historic, operational and commercial buildings following the expiry of the council's existing contract, with the option for schools to opt into receiving such services under the new arrangements.

2. RECOMMENDATIONS:

- 2.1 That Policy Resources & Growth Committee approves the proposal for Cityclean to deliver the council's corporate waste disposal and recycling service for the council's civic offices, social care, historic, operational and commercial buildings from 1st November 2016 with the option for schools to opt into receiving such services under the new arrangements.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The current council's commercial waste disposal and recycling service provides 264 general waste bins and 221 recycling bins across 112 council buildings including 50 schools.
- 3.2 The number of visits to collect the waste and recycling varies dependent on the volume of waste and recycling generated at the individual premises. The current service is carried out by external contractors, Cox Skips, and the current annual contract cost is £359,474.44. The current contract was extended and expires on 31st October 2016. A new service provision is needed from 1st November 2016.
- 3.3 The current contractor has provided the council with a good service with minimal complaints received from the internal council stakeholders. They have worked closely with the Property facilities team on innovation resulting in weighing equipment being installed on the contractor's vehicles and the production of a 6% annual cost saving against the original tendered price.
- 3.4 In August 2015 the Property Facilities team, following consultation with Procurement, Legal and Finance officers, reviewed the options for the delivery of the council's corporate commercial waste disposal and recycling service to the council's civic offices, social care, historic, operational and commercial buildings.
- 3.5 This review presented four options for further consideration, as follows: (1) to run a procurement process to award a new contract through EU-Supply.com (our eSourcing system); (2) to procure and award a contract using an existing ORBIS partner framework agreement; (3) to enter into a direct service provision arrangement with CityClean, the council's in-house domestic waste disposal and recycling team, or; (4) to do nothing.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Four options were considered as follows:
 - i. Procure and award a new contract through EU-Supply.com (our eSourcing system)
 - ii. Procure and award a new contract using an existing ORBIS partner framework agreement;
 - iii. Enter into a direct service provision arrangement with Cityclean, the council's in-house domestic waste disposal and recycling team
 - iv. Do nothing
- 4.2 The specification, bin numbers and lift frequencies for the service were reviewed and revised by the Property Facilities team, following consultation with Procurement, Legal and Finance officers, to reflect the current requirements of the council. This information was passed to both Cityclean and our ORBIS partner for dissemination and feasibility review.
- 4.3 **Option One**
The option to procure and award a new contract through EU-Supply.co was considered a time consuming and relatively expensive process that could

be avoided if either the ORBIS partner framework option or the direct service provision arrangements with Cityclean were judged to be viable, so this option was left in abeyance for possible consideration at a later stage.

4.4 **Option Two**

Collaborative feasibility review meetings were held with our Orbis partner and the ESCC framework provider and they were given the opportunity to review our specification including the number of sites, bins and sizes of the waste and recycling bins and the frequencies of collections. From this they presented a cost proposal that would have saved the council in the region of £50,000 per year but with no detail on management fees or the production of waste transfer certification the costs of which would have decreased this saving further.

4.5 **Option Three**

Similar feasibility review meetings were held with Cityclean whose cost submissions were evaluated by the council's finance team, following which a decision was taken to progress further with Cityclean as their financial submission demonstrated a better value for money option. Following discussions with Property, Procurement and Legal officers, Cityclean were sent a specification document and invited to provide a business case for delivery of the council's commercial waste disposal and recycling service for corporate buildings.

4.6 The Cityclean business case response detailed proposals setting out how they proposed to deliver the specification and increase the % volume of waste to be recycled. It also set out how CityClean would achieve a high quality, professional and continuous service for corporate waste disposal and recycling provision, deliver social value to the arrangements, report and identify areas for innovation and cost savings, effectively manage and deliver the service, manage areas of poor or failed performance in the service delivery and proposals for training all staff on the requirements of the service.

4.7 To ensure a transparent and open process the Cityclean business case response was evaluated by Property and Finance officers and sent to Procurement and Legal officers for their comments and an evaluation report was produced. The Cityclean business case response as set out would save the council in the region of £70,000 per year and included the production of waste transfer certification and no management fee.

4.8 **Option Four**

The option to do nothing and continue with the current contractor through a new contract was discounted because to directly award a new contract would open the council up to the risk of legal challenge.

4.9 The evaluation team found in favour of Option Three the business case submission from CityClean with the financial evaluation confirming a saving of £70,000 per annum giving assurance of value for money.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Officers have consulted with the existing contractor who confirmed, in writing, that TUPE does not apply and that they accepted the reasoning behind the proposal to carry out the waste disposal and recycling services utilising the “in house” council team.

6. CONCLUSION

- 6.1 Further to an examination of the options as set out in the body of this report, the conclusion is that Cityclean should deliver the council’s commercial corporate waste disposal and recycling service for the council’s civic offices, social care, historic, operational and commercial buildings from 1st November 2016 with the option for schools to opt into receiving such services under the new arrangements. An SLA agreement will be drawn up and agreed between the council departments, the contract will be managed and monitored by Property & Design and reviewed annually.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The current cost of the corporate waste collection service is approximately £0.420m (based on the last financial year 2015/16). Assuming that CityClean’s ad-hoc and additional costs are at a similar level to those incurred in 15/16, and also that a similar level of take up from schools is experienced, then the total cost would be around £0.350m. This would give a saving of approximately £0.070m per annum, mostly due to reduced charges for recycling collections.

Finance Officer Consulted: Name Peter Francis Date: 26/09/16

- 7.2 Legal Implications:

The current contract with Cox Skips expires on 31st October 2016. There are no legal implications arising from the proposal to bring the service back in house and for it to be provided by Cityclean. A service level agreement will be agreed between the council departments to set out the agreed arrangements.

Lawyer Consulted: Isabella Sidoli Date: 27/9/16

- 7.3 Equalities Implications:

The Social Value impacts include the following:

- Increasing the diversity of the fleet through the ability to collect dual materials in one vehicle.
- Employment of local workers with a dedicated Learning Resource Centre to achieve maximum capability and career progression

7.4 Sustainability Implications:

- Reduced carbon footprint through minimisation of vehicles, achieved through route optimisation, and fuel reduction.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

Evaluation report – Corporate Commercial Waste and Recycling Service provision