

Members' Library Service Request Form

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Document Title	Multi Material Kerbside Collection Services

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Additional information:

Authorised By	Monica Patterson
Designation	Depute Chief Executive
Date	28/03/18

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Depute Chief Executive (Communities and Partnerships)

SUBJECT: Multi Material Kerbside Collection Services

1 PURPOSE

- 1.1 To inform Members of the decision to award the Contract to Biffa Municipal Limited for the Multi Material Kerbside Collection Service to 2020.

2 RECOMMENDATIONS

- 2.1 Members are requested to note the decision to continue with Biffa Municipal Limited for the Multi Material Kerbside Collection Service to 2020.

3 BACKGROUND

- 3.1 East Lothian Council has a statutory obligation to provide certain services for the collection and management of waste from the County; which includes providing separate collections for glass, plastic, paper, metals and food.
- 3.2 Biffa has operated the recycling collection services for East Lothian Council since late 2005 with the current collection Contract awarded in 2010 for a period of seven years.
- 3.3 East Lothian Council is in the process of reviewing future requirements for all Waste Management Services. As signatories to the Scottish Household Waste Charter it is imperative that we model how best to transition our current service delivery portfolio to match the ambition of the Charter and become fully compliant.
- 3.4 During this period the highest priority for the Council is existing service delivery. Therefore until the new Waste Management Plan is fully implemented and to avoid a disproportionate impact on current waste operations it is necessary that existing arrangements relating to service provision continue.

3.5 A detailed options appraisal has been conducted which confirms that this approach is the most appropriate solution delivering best value while meeting the necessary requirements of the Public Contracts (Scotland) Regulations 2015.

3.6 A Voluntary Ex-Ante Transparency (VEAT) Notice was dispatched to OJEU for publication for a period of ten days and the Council received no objections to the decision to award the Contract to Biffa Municipal Limited from 1st March 2018 until October 2020.

4 POLICY IMPLICATIONS

4.1 None

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial - Biffa have agreed to accept full liability and ownership of the food waste vehicles at the end of the three year contract extension removing the Council's current buy back liability (£320k benefit to the Council). Biffa will not apply indexation to the current Contract Price until April 1st 2018 at which point the contract index will be applied based on the previous 12 months. Biffa will discount the Contract Price by £2 per tonne from April 1st 2018 after indexation has been applied. Biffa have secured a price for the sale of paper and cardboard of £56 net revenue per tonne fixed for 2 years until October 1st 2019. Biffa will share the benefit of this deal from April 1st 2018 with the Council. As of April 1st 2018, both parties will share the risk on material revenue on a 50:50 basis.

6.2 Personnel - None

6.3 Other - None

7 BACKGROUND PAPERS

7.1 Report to Cabinet on the Household Waste Charter

7.2 Summary Appraisal

AUTHOR'S NAME	Sarah Oliver
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CONTACT INFO	soliver@eastlothian.gov.uk
DATE	20/02/2018

REPORT TO: Cabinet

MEETING DATE: 20 December 2016

BY: Monica Patterson – Deputy Chief Executive
Partnerships & Communities

SUBJECT: Household Waste Charter & Code of Practice

1 PURPOSE

- 1.1 To seek approval for East Lothian Council to become signatories to the Scottish Government's Household Waste Charter.

2 RECOMMENDATION

- 2.1 It is recommended that members agree to East Lothian Council becoming signatories to the Household Waste Charter on the following basis:
- (a) Cabinet note the priority given to recycling and our desire to further improve/invest in the services we provide.
 - (b) Cabinet note that becoming a signatory to the Household Waste Charter will facilitate access to grant funding to enhance current recycling service provision.
 - (c) Cabinet note that becoming a signatory will enable technical support to be provided by Zero Waste Scotland to enhance current waste service provision.
 - (d) Cabinet note that at a recent residents panel held to analyse waste and recycling service provision the unanimous opinion reached was that it would be proactive of East Lothian Council to support the Charter.

3 BACKGROUND

- 3.1 The Scottish Government published a Household Waste Charter at the end of 2015 that was created in consultation and with the support of Zero Waste Scotland, COSLA, SOLACE and Waste Managers Network. The aim was to support a circular economy and harmonise and improve recycling collection systems across Scotland. (See appendix 1)

- 3.2 The Household Waste Charter is supported through the publication of a Code of Practice which contains a more detailed set of outcomes that will deliver the aspirations of the Charter. (See appendix 2)
- 3.3 The Code of Practice sets out essential and desirable criteria. Essential criteria must be met through modelling to enable local authorities to draw down grant funding to enhance recycling and reach compliance. Desirable criteria are requirements that Councils must consider but not necessarily adopt.
- 3.4 Signing up to the Household Waste Charter is voluntary at present however all Scottish Government grant aid and support is channelled through Zero Waste Scotland and is requisite on Councils first signing up to the Charter.
- 3.5 Once signed up, Councils are expected to produce a strategic transition plan that will be audited by a panel before acceptance and grant support is allocated.
- 3.6 There are no legal implications on signing up and the Council is free to walk away from the commitment if a transition plan with support cannot be agreed.

4 POLICY IMPLICATIONS

- 4.1 By signing the Household Waste Charter and aligning with national policy we can benefit from national media campaigns.
- 4.2 It will allow Waste Services to develop a formal Strategic Policy that reflects compliance with Government legislation and guidance reducing the risk of developing solutions that fall out with future legislative change. This strategy can then be adopted into the Councils Outcome priorities.
- 4.3 East Lothian Council is currently delivering a recycling rate of between 55 and 58% which exceeds the legislative requirement however In order to hit future recycling targets of 70% in 2025 investment and alterations to current service provision will be required.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - Access to grant funding.

6.2 Personnel - Access to grant funding to enhance services supporting the circular economy should in turn lead to increased employment opportunities within the Service and across the County.

6.3 Other - none.

7 BACKGROUND PAPERS

7.1 Appendix 1 – Waste Charter

7.2 Appendix 2 – Code of Practice

AUTHOR'S NAME	Thomas Reid
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DATE	

Waste Services

Multi Material Kerbside Recycling Contract

Summary Options Appraisal

Contract

Multi Material Kerbside Recycling Collection Contract expires on 30th September 2017.

Contract Amendment

An amendment to the 2010 Contract was made in 2015 with a buyback clause on the food waste vehicles which committed ELC to buyback the food waste vehicles to the value of £320,000 at the end of the Contract on the following conditions:

- If Biffa Municipal Ltd were unsuccessful as incumbent tenderer

Legal advice at the time of the contract amendment had been that the food waste vehicles would transfer to the successful tenderer or ELC would buy back should Biffa Municipal Ltd be unsuccessful thus removing the capital liability.

Known Parameters

The following parameters were considered as part of the options appraisal:

- Retention of service without disruption to the residents within East Lothian
- Legal compliance
- Charter Compliance and the time required to model, appraise and procure a compliant service
- The time required to solicit and obtain Scottish Government funding and support to enact a Charter Compliant Service
- The Contract amendment and the food waste vehicle buyback clause
- The changing markets and values of recycling materials

Options Appraisal

A working group was set up to discuss and appraise the options which consisted of:

- Waste Services Manager
- Senior Waste Services Officer
- Procurement Team Leader
- Senior Procurement Officer
- Senior Solicitor

Capital Fleet budget confirmed that the buyback value was not available within current capital plans.

The following criteria were considered essential:

1. removed the buyback risk
2. maintained the Contract as an out sourced service provision providing best value
3. afford the time required to model a Charter compliant service with Scottish Government

It was agreed that directly awarding a contract to the current contractor through the following options be explored:

- VEAT Notice – 10 days stand off period
- Contract Notice under Regulation 72

The procurement discussion concluded that the option that provided the best value, generated the least risk and reflected other local authority precedents was to use the VEAT process.

Conclusion

The working group met on 25th August 2017 and agreed that on the basis of known parameters and option appraisal the VEAT process would be implemented as the best value solution for Multi Material Kerbside Collections Services between October 2017 and October 2020.