CABINET

Bulky Household Waste Collection, Recycling and Disposal Services

Report of Elaine McLean Executive Director Economy, Places and Skills

Portfolio Holder: Councillor Jean Stretton

Tuesday, 25 June 2012
Officer Contact: Carol Brown/Craig Dale
Ext. 4441

Purpose of Report
This report seeks approval to award the Bulky Household Waste, Collection, Recycling and Disposal Services Contract.

Executive Summary
The report outlines the tender process undertaken and requests approval to award the contract.

The tender process was an OJEU Open Tender via The Chest. The value is a fixed price for 4 years with an option to extend for a further 1 year period.

Recommendations
It is recommended that the contract is awarded to Bulk Bob's Ltd, supported by action to improve the service further through working with the 3rd sector.
Bulky Household Waste Collection, Recycling and Disposal Services

1 Background

1.1 Oldham Council is committed to providing and developing waste reduction and recycling activities as stated in its Environmental Policy 2012 and Waste Management Strategy 2011.

1.2 The new contract also takes into consideration the aims and objectives of the Council improvement journey under ‘Repositioning Oldham’. Using the operating framework as a guide the new contract hopes to demonstrate Service Alliance, delivering services for people and places to meet local needs in the most appropriate and cost effective way.

1.3 To assist in the delivery of these commitments Oldham Council provides its residents with a free bulky collection service for a number of larger household items i.e. fridges, sofa’s and free standing furniture.

1.4 Over the last 6 years this service has been contracted to Bulky Bob’s part of the Furniture Resource Centre Group (FRC Group) and expires on 26th July 2012.

1.5 This contract currently undertakes over 25,000 individual collections per year removing up to 125,000 unwanted bulky items. In 2011/12 this contract diverted over 400 tonnes from landfill or approximately 30% of the total collected.

1.6 Under the new proposed contract Oldham has stipulated a minimum diversion target of 30% further reducing waste to landfill and therefore disposal costs.

1.7 Moving forward it is planned to continually review the operational costs and increase efficiency. There are a number of ways the annual cost of the proposed service could be reduced and these opportunities will be investigated and progressed over the next 6 months. This work includes shared space (i.e at Moorhey Street) that would reduce on-costs to the potential contractor and thus the actual contract. A second option would be to co-ordinate the disposal of recyclable materials such as wood and metal with current Council operations performed by sections such as Street Scene. This could potentially provide cost savings that would again have the potential to reduce our annual contract cost. Sharing contracts with the contractor such as fleet, insurance, and uniform could also be explored.

1.8 Oldham Council’s Waste Management Group is also working to develop a number of innovative ideas to improve partnership working with regards to bulky waste collected from private organisations and Social Enterprises (FCHO, Remploy and GMWDA) and the 3rd sector (charities such as Age Concern and Help the Aged). Partnership working would improve the ability of
residents to obtain reduced cost furniture and equipment as well as the prime objective of diverting tonnage from landfill.

2 **Current Position**

2.1 As the current contract is due to expire an open tender has been undertaken through OJEU via The Chest. The OJEU advert was placed on 8th February 2012. The tender documents were immediately available via The Chest. By the return date of 28th March 2012 there had been 28 expressions of interest, of which 5 bidders submitted a response, 7 companies had opted out and 17 companies did not respond.

2.2 In alphabetical order submissions were submitted by:

- Bulky Bob’s Ltd
- Holroyd Skip Hire Limited
- M.E.S. Ltd
- Remploy Building Products
- Upturn Enterprise Ltd

2.3 Two bidders were declined by the legal team when opening the tenders because they did not upload a tender document as part of their response, the 2 declined bidders were:

- Holroyd Skip Hire Limited
- M.E.S. Ltd

2.4 In accordance with the Council’s Contract Procedure Rules, the evaluation of the tender submission has sought to identify the submission offering best value, based upon a combination of economy, efficiency and effectiveness. The weightings applied to the tender submissions have been:

- Price – 50%
- Technical Capacity – 40%
- Environment – 10%

2.5 The tender evaluation was undertaken by Elizabeth McKenna (Corporate Procurement Manager), Councillor Jean Stretton and Mark Husdan (Waste Minimisation and Recycling Manager).

2.6 In numerical order the following scores have been obtained:

- 81.92
- 79.81
- 54.32

2.7 The outcome of the evaluation process was that the winning bidder offered the most economically advantageous package with relation to Service Requirements, the Environment and Cost.
3 **Options/Alternatives**

3.1 Options are to award the Contract and continue delivering the service to the residents of Oldham.

3.2 Not award the contract and stop delivering the service when the current contract expires on 26\(^{th}\) July 2012.

3.3 Under any contract awarded through this tender process we have built in an alternative for moving from a free to a chargeable collection.

4 **Preferred Option**

4.1 To award the contract to the winning bidder and continue delivering the service to residents on Oldham when the current contract expires supported by action to improve the service further through working with the 3\(^{rd}\) sector.

5 **Consultation**

5.1 Consultation took place with Waste Management, Finance, Risk and Insurance, Advice and Consultancy and Corporate Procurement to ensure that the tender included all requirements of the service and adhered to the Public Contract Regulations and TUPE Legislation. Councillors have been consulted and residents.

6 **Financial Implications**

6.1 Restricted Content

6.2 **Capital**

There are no capital implications

6.3 **Revenue**

Restricted Content

7 **Legal Services Comments**

7.1 The report demonstrates that the contract has been procured in accordance with the Contract Procedure Rules. Given the values involved, it will be necessary to observe the 10 day standstill period as required by Contract Procedure Rule 13.3 and for the contract to be prepared and executed by the Borough Solicitors representative. Prior to final Contract award, the Contractor shall provide evidence of adequate insurance to cover both public and employers’ liability and professional indemnity (where appropriate). [M Lennox]
Cooperative Agenda

8.1 In respect of the award of the contract for Bulky Household Waste Collection there are Co-operative opportunities arising with the option of obtaining support from the 3rd Sector. The proposals within this report are in line with the Council's Ethical Framework.

Human Resources Comments

9.1 None

Risk Assessments

10.1 None

IT Implications

11.1 None

Property Implications

12.1 None

Procurement Implications

13.1 This procurement process has been administered via OJEU and The Chest using the appropriate documentation and abiding by the Council's CPR's and European Legislation. Corporate Procurement will ensure that the supplier adheres to the quoted price and delivers the project to the detailed specification.

13.2 The new contract includes options for recycling targets which could increase from 30% recycled to 60% recycled should the Council wish to take that option up. The other option included within the tender is the option to charge the residents of Oldham for the service; this option can be invoked upon at any point in the contract period.

13.3 From the tender process it has become clear that the contract can be further supported by members of the 3rd sector. As soon as the contract is in place this support will be explored and implemented. (Elizabeth McKenna)

Environmental and Health & Safety Implications

14.1 Health and Safety
Health and Safety documentary evidence was submitted by the winning bidder in compliance with that requested via the Invitation to Tender process.

There are no prosecutions or enforcement actions recorded on the HSE enforcement website in respect of this contractor. James Fortune Clubb
15 Equality, community cohesion and crime implications

15.1 None

16 Equality Impact Assessment Completed?

16.1 Yes

17 Key Decision

17.1 Yes

18 Forward Plan Reference

18.1 EPS-23-12

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: OMBC Bulky Waste Removal
Name of File: Bulky Household Waste Collection, Recycling and Disposal Services
Records held in Corporate Procurement, Level 8, Civic Centre, West Street, Oldham, OL1 1UG
Officer Name: Elizabeth McKenna
Contact No: 0161 770 1408

20 Appendices

20.1 N/A