

<b>TITLE</b>	<b>Commercial Waste and Recycling Contract</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 17 February 2022
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers
<b>LEAD MEMBER</b>	Deputy Leader of the Council - John Kaiser

## **PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

The contract for Commercial Waste and Recycling will expire on the 31<sup>st</sup> July 2022. Approval is required for a new traded services contract to be put in place as the value of the contract over the 5-year period is estimated to be £750,000.

This contract is managed by Procurement on behalf of a number of corporate sites and mostly commercial sites in Wokingham Borough that have opted into this service. The current contract includes a total of 85 Sites (21 Corporate Sites (including Shute End), 3 Country Parks, 2 Cemeteries, 2 Optalis Sites, 32 Maintained Schools, 25 Academy Schools).

The main benefits are improved compliance, economic of scale, income generation for the Council, increased recycling levels and reduced waste levels to landfill.

## **RECOMMENDATION**

That the Executive approve the renewal of the Commercial Waste and Recycling contract and for Procurement to advertise the opportunity and procure via a competitive tendering process.

## **EXECUTIVE SUMMARY**

The contract for Commercial Waste and Recycling will expire on the 31<sup>st</sup> July 2022, for a new contract to be put in place for this service Procurement require Executive approval as the value of the contract is estimated to be £750,000. This is mainly a Traded Services contract with corporate sites costs included in agreed Revenue Budgets; the opted in sites are invoiced directly by the Contractor for their scheduled requirements and the provision of service by WBC is subject to an internal annual by back charge payable by the relevant site.

This contract is managed by Procurement on behalf of commercial sites in the Wokingham Borough that have opted into this service. The contract provides many benefits to the sites and generates income for the Council.

A new contract will be required to be in place by 1<sup>st</sup> August 2022 and Procurement will advertise the opportunity and procure via an Open competitive tendering process as soon as approval has been received.

## **BACKGROUND**

The objective is to put in place a new contract for the Commercial Waste and Recycling contract which will expire on the 31<sup>st</sup> July 2022.

Procurement looked at 3 different options which were:

1. Advertise the opportunity and procure via competitive tendering process
2. Run a call off from a Framework agreement
3. Cancel the service provided via the contract and all sites procure individual contracts for waste collection services

The framework was unable to be used due to splitting the services required over different lots, meaning WBC could end up with 3 different suppliers in place to deliver the contract which is not a viable option. The contract provides many benefits to the sites and generates income for the Council meaning that cancelling the service was also not a viable option.

## **BUSINESS CASE**

This is mainly a traded service contract managed by Procurement on behalf of commercial sites in the Wokingham Borough that can opt into this service. The contract includes a total of 85 Sites (21 Corporate Sites (including Shute End), 3 Country Parks, 2 Cemeteries, 2 Optalis Sites, 32 Maintained Schools, 25 Academy Schools).

The existing Corporate Commercial Waste and Recycling Contract with Biffa is due to expire on 31<sup>st</sup> July 2022 and there are no available extensions remaining.

The benefits of this contract include improved compliance, economies of scale, income generation for the council, increased recycling levels and reduced waste to landfill.

This contract will continue to support the Council's commitment to deliver the objectives stated in the Corporate Delivery Plan and Community Vision by aligning with the strategic priority of 'A clean and Green Borough'. This also links to our Climate Emergency Action Plan key priority 'Reduce waste sent to landfill' by working towards the council's aim to achieve zero waste to landfill and 90% recycled by 2030 and 'Encouraging behaviour change'.

Procurement looked at 3 different options which were:

1. (Recommended option) Advertise the opportunity and procure via competitive tendering process
2. Run a call off from a Framework agreement
3. Cancel the service provided via the contract and all sites procure individual contracts for waste collection services

The framework was unable to be used due to splitting the services required over different lots, meaning WBC could end up with 3 different suppliers in place to deliver the contract which is not a viable option. The contract provides many benefits to the sites and generates income for the Council meaning that cancelling the service was also not a viable option.

The risks are that there are tight deadlines for the procurement activity. Procurement will go out for competitive tender as soon as approval has been received. 3 months

mobilisation period is required for this contract meaning a contract is required to be in place by the end of April.

The expected outcome is to put in a place a contract with a supplier for 3 years with 2 options to extend by 12 months. The supplier will continue to deliver the commercial waste and recycling service to all opted in sites.

### **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	This is mainly a Traded Services contract meaning opted in sites provide a buyback charge to be included on the contract. From the buyback charge from each site £15,873pa total income would be received	Yes – Internal services utilising this contract already have revenue budget provision. The opted in sites are invoiced directly by the Contractor for their scheduled requirements.	Revenue
Next Financial Year (Year 2)	Same as above	Yes – same as above	Revenue
Following Financial Year (Year 3)	Same as above	Yes – same as above	Revenue
Following Financial Year (Year 4)	Same as above	Yes – same as above	Revenue
Following Financial Year (Year 5)	Same as above	Yes – same as above	Revenue

#### **Other Financial Information**

There is a risk to the council services utilising these contract arrangements should the tender prices come back higher than current prices to reflect increase costs such as fuel and drivers. This will only be understood as tenders are submitted and the procurement team will work with services and finance to understand implications as they arise

#### **Stakeholder Considerations and Consultation**

No consultation to be carried out.

#### **Public Sector Equality Duty**

Not required

**Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030**

This contract will be encouraging behaviour changes in schools and facility managed sites to reduce waste levels and increase recycling levels. This links to our Climate Emergency Action Plan key priority 'Reduce waste sent to landfill' by working towards the council's aim to achieve zero waste to landfill and 90% recycled by 2030 and 'Encouraging behaviour change'.

**List of Background Papers**

Business Case

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