



In accordance with the Procurement and Contracts Rules and Procedures (PCRP) (see section 3.1.1): a formal business case is required for any procurement with a total value above £50,000. The level of approval required for the Business Case depends on the type of procurement and total ascertainable value of the contract, as indicated in the table below:

1. Level of Approval

State "YES" in the applicable box at either Level 1, Level 2 or Level 3:

Type of Procurement	Level 1		Level 2		Level 3	
	Assistant Director & Director Approval		Executive Approval		Full Council Approval	
Goods and Services	£50k – £500k		> £500k	Yes	Annual Value >£5m or TAV >£25m (if capital >£15m)	
Schedule 3 Services	£50k – £663k		> £663k			
Works	£50k – £4,733k		> £4,733k			

NOTE:

Executive meetings (Level 2) are held each month but the submission of papers is strictly controlled, resulting in a cycle of at least 6-weeks – speak to Democratic Services for assistance.

Full Council meetings (Level 3) are held every second month and submission of papers is controlled as per Executive meetings – speak to Democratic Services for assistance.

2. Project Information

Project / Contract Title	Commercial Waste & Recycling Collection Contract (including hazardous waste)
Project / Contract Description	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).
Expected Start Date & Duration (months)	Initial term 1 August 2022 for a period of 3 years (36 months) plus 2 options to extend by 12 months each.
Any Extension/s Allowed (months) <i>(e.g.: 1 x 24m / 1 x 12m + 1 x 12m)</i>	1 x 12 + 1 x 12
Total Ascertainable Value	£750,000
Procurement Advice <i>Provide a short summary of the advice or attach/append any written advice you have obtained, including the type of procedure, Brexit considerations and if the BC is for setting up of DPS or framework agreement.</i>	The contract term will expire on the 31 July 2022 and there are no available extensions remaining.

	The tender process will be led by Procurement and will follow the above threshold open procedure advertised via FTS.
Finance Advice <i>Confirm budget availability and add any comments relevant to the budget.</i>	Under this contract, each site is responsible for the payment of their requested service provision, the contractor will invoice each site monthly.
Source of Funding <i>(revenue or capital or specified other)</i>	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.
If procurement is for software, specify outcome of your consultation with IMT and/or Business Change	N/A

3. Project Justification

Link to Service or Corporate Objectives:

The existing Corporate Commercial Waste & Recycling Contract with Biffa is due to expire on 31st July 2022 and there are no available extensions remaining. The contract provides this service to 85 sites, which includes Schools, Shute End and other Corporate Sites, Libraries, Leisure Centres, various Community facilities etc.

This contract will continue to support the Councils 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 contract will be encouraging behaviour changes in schools and facility managed sites to reduce waste levels and increase recycling levels. 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'.

The supplier will be required to demonstrate through the tender process how they can achieve landfill diversion rates, reduce waste, reuse where possible and ultimately send zero waste to landfill. Also, how they would communicate with Schools/Sites to promote and improve recycling. The supplier will also be required to have weighing equipment installed on all vehicles to enable accurate waste and recycling information to be collected and provided monthly reports so progress can be tracked and recorded.

Project Specific Objectives, Appraisal of Options and Project Timetable:

The objective of this procurement activity is for the Contractor too:

- provide the required collection services as stated in the specification in line with Health and Safety Regulations and all other relevant Statutory Regulations, Legislation and Codes of Practice
- work with each customer site to maximise opportunities for increasing the quantity and quality of recyclable material
- apply the most environmental and economic benefits for reprocessing waste materials

- put processes in place to monitor the Sites to ensure the waste is segregating as well as possible at the point of disposal
- work with the sites to either continue or introduce a separate food waste collection wherever it is practicable and economically viable to do so
- work towards achieving a zero-landfill solution, moving waste up the waste hierarchy wherever possible

Key efficiencies and benefits of the traded services contract include:

- Improved compliance - The use of corporate contracts and use of contracted suppliers, reduces off-contract spend and in turn risk, reduces the supplier base and takes advantage of economies of scale and improved contract management
- Economies of Scale - With the high number of Sites that use this contract and want to continue to be included within this contract achieves better value for money for all sites included
- Increased Recycling levels and reduced waste levels to landfill - Improve the environment, reduce the waste that goes to landfill by increasing recycling initiatives, food waste collections etc. this will remain a key focus at corporate sites and schools
- Income generation – this is a traded services contract and provision of service is subject to a fee. From the buyback charge from each site £15,873pa total income would be received

All the above objectives, benefits and efficiencies link to the Councils commitments stated in the Corporate Delivery Plan and Community Vision by aligning to the strategic priority of ‘A clean and Green Borough’ by encouraging behaviour changes, reducing waste levels, increasing recycling levels and ultimately reducing waste sent to landfill.

Appraisal of options:

Option 1 – Recommended Option - Advertise the opportunity and procure via competitive tendering process

Benefits/ positives

- The opportunity is advertised more widely that may attract more suppliers in the market to submit a tender for the work including the incumbent supplier of the current contract
- A higher level of competition between suppliers, which may result in more competitive bids
- The contract would be under WBC’s terms and conditions
- WBC would have full control of the procurement activity

Risks/ negatives

- The process will take longer to complete due to being over the GPA threshold and having to be advertised internationally.
- Require more internal resources to carry out the process meaning this will be a more costly way to carry out the procurement
- Unlimited number of suppliers could bid for the work meaning evaluating tender responses will take longer for all staff involved
- There is a risk for this contract not to be procured on time, i.e. before the end of the current contract and allowing for sufficient mobilisation period.

Option 2 – Run a call off from a Framework agreement

ESPO – Framework 379 – Non Domestic Community Waste and Recycling Collection and Disposal Services

Benefits/ positives

- Maximum rates already agreed and by running a call off from the Framework will encourage further competition amongst the suppliers so further price reductions may be achieved
- Reduced the time and costs involved with the procurement as the requirement has already been competitively tendered against set requirements
- The framework is compliant with procurement legislation
- ESPO will have already managed compliance checks to make sure suppliers included within the Framework follow the agreement's terms and conditions

Risks/ negatives

- Framework split into 4 Lots but does not include a fully managed service including general, recycling and food waste meaning WBC would require to call off against 3 of these Lots. Meaning we could end up with 3 different suppliers in place to deliver the contract which is not a viable option
- Must use framework agreements terms and conditions rather than WBC's standard terms and conditions

Only suppliers already admitted on the framework agreement can be invited to tender

Option 3 – Cancel the service provided via the contract and all sites procure individual contracts for waste collection services

Benefits/ positives

- No Procurement activity required, saving resource time and cost associated with the procurement process.

Risks/ negatives

- All 85 Sites will be required to source their own individual waste and recycling contracts meaning they will not benefit from economies of scale and could end up paying more for this service
- Showing less commitment to a service that demonstrates that WBC our committed to the strategic priorities of making 'A Clean and Green Borough'
- This will represent a missed commercial opportunity as the Council will lose the income currently generated by this contract

Recommended Approach

Procure a new contract for commercial waste and recycling by advising the opportunity and procuring via an open competitive tendering process. Timetable below:

Issue tender via Open Process (ITT):	18/02/2022
Clarifications deadline:	09/03/2022
Final clarifications:	14/03/2022
Tender submissions deadline:	21/03/2022
Evaluation:	22/03/2022 - 12/04/2022
Contract award:	19/04/2022
Standstill Period:	19/04 - 29/04/2022
Mobilisation:	02/05/2022 - 31/07/2022
Contract start date:	01/08/2022

Cost Benefit Analysis:

The current contract value is £150,000pa with an estimated value of £750,000 over the 5 year contract. Sites that have opted into this contract will pay the Contractor directly for their waste and recycling collections.

For the sites included value for money is achieved through economies of scale securing lower pricing against a set specification which if the Sites were to procure their own contracts, they are unlikely to secure such rates.

There is a financial risk that there could be price increases for the opted in sites using the service due to the contractors reflecting HGV driver and fuel cost increases, maybe also waste disposal costs.

Income is generated as this is a traded services contract and provision of the service is subject to a fee. From the buyback charge from each site, £15,873pa total income would be received which is an estimated £79,365 over 5 years.

Contract Management:

This Service is a Traded Services contract managed centrally by the Procurement Team. This involves having monthly contract review meetings, resolving any escalated queries with the supplier and to make sure the service is running smoothly; reports are received and KPI's are met.

4. Approval

Please fill in the applicable fields according to the level of approval required.

Note: If Level-2 or 3 approval is required, the document should be signed by Assistant Director and Director at Level-1 first, and then presented to the Executive (and Full Council where appropriate) for final approval.

Level 1

<i>Position</i>	<i>Name</i>	<i>Department</i>	<i>Signature</i>
Assistant Director	Bob Watson	AD for Finance and Business Services	
Director	Graham Ebers	Director for Resources and Assets	

Level 2

NOTE: Level 1 approval must be completed first.

Please state the date of the relevant Executive meeting or Individual Executive Member Decision at which the Business Case has been approved.

	<i>Date of Executive meeting / approval</i>	<i>Item No</i>
Executive Approval	17 February 2022	

Level 3

NOTE: Level 1 and 2 approval must be completed first.

Please state the date of the relevant Full Council meeting at which the Business Case has been approved.

	<i>Date of Full Council meeting / approval</i>	<i>Item No</i>
Full Council Approval	N/A	