

Report title: Waste Disposal Procurement – Landfill

Wards affected: All

Strategic Director: Alison Comley – Strategic Director Neighbourhoods

Report Author: Pam Jones - Service Manager Environment and Leisure

RECOMMENDATION for the Mayor's approval:

- To delegate authority to the Strategic Director Neighbourhoods, in consultation with the Assistant Mayor, to commence the procurement of a Waste Disposal Landfill Contract as set out in this report
- To delegate authority to the Strategic Director Neighbourhoods to award the Waste Disposal Contract to the successful bidder, on the Council's standard terms and conditions, amended as appropriate.

Key background / detail:

a. Purpose of report:

To seek approval to procure a Waste Disposal Landfill contract which will be awarded on the basis of the most economically advantageous tender.

b. Key details:

1. The paper seeks permission to start a tender process to procure a Waste Disposal Contract that will dispose of waste via landfill. This contract will deal with the element of waste (dealt with by the Council) that cannot be treated through other waste treatment processes. This acts as a contingency so that if there is no other option for the waste to be treated or dealt with in any other way, it can ultimately be sent to landfill.
2. The value of the contract over the contract period means that it is considered a Key Decision and so authorisation is being sought to begin a procurement process.
3. The contract will not commit the Council to deliver any guaranteed tonnage of landfill waste. This is a deliberate decision to ensure that the Council can prevent, reduce, re-use and recycle as much waste as possible to stop it from having to be disposed of. After that, it will also enable the Council to take advantage of any future developments in waste treatment technologies, which will further reduce the amount of waste sent to landfill.
4. The contract will be tendered via the Council's e-procurement portal and will be evaluated using the Most Economically Advantageous Tender (MEAT) approach, with 90% of the marks awarded for the overall price to the council and 10% of the marks awarded on quality. The reason for the very high focus on price is in relation to the nature of the contract. There are very few landfill sites available and the primary distinction between them is not quality but price.

BRISTOL CITY COUNCIL

CABINET

6 Oct 2015

REPORT TITLE: Waste Disposal Procurement – Landfill

Ward(s) affected by this report: All

Strategic Director: Alison Comley – Strategic Director Neighbourhoods

Report author: Pam Jones / Service Manager Environment and Leisure Operations

**Contact telephone no. x 23240
& e-mail address: pam.jones@bristol.gov.uk**

Purpose of the report:

To seek approval to procure a Waste Disposal Contract which will be awarded on the basis of the most economically advantageous tender.

RECOMMENDATION for the Mayor's approval:

To approve the following recommendations –

- **To delegate authority to the Strategic Director Neighbourhoods, in consultation with the Assistant Mayor Neighbourhoods, to commence the procurement of a Waste Disposal Contract as set out in this report**
- **To delegate authority to the Strategic Director Neighbourhoods to award the Waste Disposal Contract to the successful bidder, on the Council's standard terms and conditions, amended as appropriate.**

1. Context – the current waste situation

- 1.1 The council's strategy is clear that in priority order, it needs to prevent, reduce, reuse and recycle waste. Work is continuing on these very important areas, and we have just ended the collection and street cleansing contract with Kier and commenced with Bristol Waste Company.
- 1.2 Once all of these options have been exhausted, and waste has been minimised as much as it can be, what waste is left will then need to be treated/disposed of.
- 1.3 We are currently in the process of specifying a new contract for treatment of this remaining waste. This new contract will be in place for April 2016.
- 1.4 Finally in order to complete the cycle of the waste, due to the nature of some types of waste there will be a small amount left at the end of this process which cannot go into treatment. This waste goes to landfill.

1.5 Landfill is the specific subject of this report today.

2. Summary

2.1 This paper seeks permission to start a tender process to procure a Waste Disposal Contract that will dispose of waste via landfill. This contract will deal with the element of waste (dealt with by the Council) that cannot be treated through other waste treatment processes. This acts as a contingency so that if there is no other option for the waste to be treated or dealt with in any other way, it can ultimately be sent to landfill.

2.2 The value of the contract over the contract period means that it is considered a Key Decision and so authorisation is being sought to begin a procurement process.

2.3 This paper also seeks to obtain delegated authority to award the contract (including any possible extensions allowed under the contract) to the successful bidder following evaluation of bids.

3. Background

3.1 The Council has a legal duty to collect and dispose of any municipal and household waste. The Council is a Unitary Authority; this means it acts as both a Waste Collection Authority and Waste Disposal Authority.

3.2 The Council currently deals with over 100,000 tonnes of residual material that is sent for further treatment or disposal. The make-up of the 100,000 tonnes consists of black bag waste, cleansing waste, fly tip, bulky collections, HWRC and trade wastes.

3.3 The Council currently has a landfill contract with SITA that will end in March 2016 and therefore it needs to procure a replacement contract.

3.4 The Council has two current waste treatment contracts in place with New Earth Solutions and North Somerset Council that deal with between 85,000 – 94,000 tonnes of the city's waste.

3.5 This will leave between 6,000 - 15,000 tonnes of material to be disposed of by the council that is not suitable for either contract mentioned in 3.4 and is only currently suitable for disposal via landfill.

3.6 Failure to procure a landfill contract will result in not having a valid contract in place to deal with this material, meaning the Council will have to dispose of the material outside of any existing contracts, potentially breaching EU procurement rules.

3.7 A subsequent report will be produced later in the year (working through scrutiny) to be presented at Cabinet that will review the future options for waste treatment for the Council in the medium to long term.

4. Waste Disposal Contract

4.1 The waste disposal landfill contract will be for an initial term of 5 years with a possible extension period of a further 4 years and will commence from April 2016 to coincide with the end of the current landfill contract. The annual value of the current landfill contract is

in the region of £4M to £5M.

4.2 The contract will not commit the Council to deliver any guaranteed tonnage of landfill waste. This is a deliberate decision to ensure that the Council can prevent, reduce, re-use and recycle as much waste as possible to stop it from having to be disposed of. After that, it will also enable the Council to take advantage of any future developments in waste treatment technologies, which will further reduce the amount of waste sent to landfill.

4.3 The contract will be tendered via the Council's e-procurement portal and will be evaluated using the Most Economically Advantageous Tender (MEAT) approach, with 90% of the marks awarded for the overall price to the council and 10% of the marks awarded on quality. The reason for the very high focus on price is in relation to the nature of the contract. There are very few landfill sites available and the primary distinction between them is not quality but price.

5. Finance

5.1 The Government currently applies a Landfill Tax to any waste deposited in landfill, currently charged at £82.60 per tonne which will rise with inflation.

5.2 The gate fee, to deposit waste, paid by the Council to the successful bidder will be determined via the tender process. It is anticipated that the overall cost to the council for the disposal of landfill waste will increase due to three factors –

- a) the inflationary rise on landfill tax being applied year on year
- b) significantly lower tonnages being offered in the new contract
- c) no guaranteed tonnage being offered throughout the contract

5.3 It is anticipated therefore that the annual spend for the new contract will be in the region of £750K to £2M. This will be considerably lower than the current cost due to our focus on diverting waste elsewhere and reducing the tonnage being sent to landfill.

6. Recommendations

- a. To approve delegated authority for the procurement of the Waste Disposal Contract.
- b. To approve delegated authority to award the contract, on the basis of the Council's standard terms and conditions, amended as appropriate.

7. Consultation and scrutiny input:

- a. **Internal Consultation:** Waste Management Officers.
- b. **External Consultation:** None

8. Other options considered:

- a. All options are detailed in this report.

9. Risk management / assessment:

FIGURE 1

The risks associated with the implementation of the *(subject) decision* :

No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Threat to achievement of the key objectives of the report Public perception in procuring a landfill contract.	Med?	Med?	Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation). An informed decision is taken by Cabinet having considered the proposal	Med	Low	

FIGURE 2

The risks associated with not implementing the *(subject) decision*:

No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Threat to achievement of the key objectives of the report Not taking will put the council in breach of procurement regulations as the material will still need to be disposed of but it would have to be done outside of any contract	High	High	No mitigation	High	High	

Public sector equality duties:

Equalities Impact Assessment

An Equality Impact Relevance Check for this proposal has been completed (attached Appendix A). This proposal is not anticipated to have any impacts on either citizens or staff with protected characteristics. The proposal concerns the disposal of waste only; waste and recycling collection services to the public will remain unchanged. As such this proposal does not require a full Equality Impact Assessment.

Anneke Van-Eijkern – Equalities Officer

14 August 2015

Eco impact assessment

The significant impacts of this proposal are...

- This proposal is to continue landfilling 6,000-15,000 (from a total of 100,000 tonnes) tonnes of municipal solid waste, with a re-tendered contract. The change in environmental impact is therefore limited to the performance of the landfill site selected (e.g. methane recovery) and the distance waste is transported from Bristol.
- The change in environmental impact could be positive or negative, and these impacts are fairly small in comparison to the disposal of the waste itself.

The proposals include the following measures to mitigate the impacts...

- Landfill sites with the poorest Environment Agency rating (OPRA) will be excluded, and credit will be given for sites with high ratings.
- Credit will be given for higher rates of methane capture and leachate processing.
- Transport impacts will be considered as part of the price evaluation, as greater distance will incur a greater cost.

The net effects of the proposals are...

- The net effect is unlikely to be significantly different from current arrangements.

Steve Ransom – Environmental Programme Manager

6/8/15

Resource and legal implications:

Finance

a. Financial (revenue) implications:

It is the intention for the revenue costs associated with new waste disposal contract to be contained within existing waste disposal revenue budgets. Whilst the cost of landfill under the new contract is anticipated to increase on a per tonne basis, the overall strategy is to reduce the amount of tonnage sent for landfill.

Robert Hamilton, Finance Manager Neighbourhoods & Place

14 August 2015

b. Financial (capital) implications:

There will be no impact on Capital budgets as a result of this decision

Robert Hamilton, Finance Manager Neighbourhoods & Place

14 August 2015

c. Legal implications:

The Council should ensure that the procurement of the waste disposal contract complies with the Public Contracts Regulations 2015, as well as its own procurement rules. The Council should also obtain any relevant contractor employee information to assist bidders in assessing whether TUPE may apply and any consequential impact on their bid price.

Kate Fryer –Solicitor 5 August 2015

HR

As this proposal is for the procurement of services to the Council, there will be no HR implications as a result of the decision made.

Sandra Farquharson, HR People Business Partner, Neighbourhoods

07-08-15

Attachments: Appendix A – Equalities Impact Relevance Check

Appendix A

Bristol City Council Equality Impact Relevance Check



This tool will identify the equalities relevance of a proposal, and establish whether a full Equality Impact Assessment will be required. Please read the guidance prior to completing this relevance check.

What is the proposal?	
Name of proposal	Waste Disposal procurement
Please outline the proposal.	Seeking permission to start a tender process to procure a Waste Disposal Contract that will dispose of waste via landfill that cannot be treated through other waste treatment processes.
What savings will this proposal achieve?	<p>The gate fee paid by the Council to deposit waste to the successful bidder will be determined via the tender process, and so it is currently impossible to know what the financial costs / savings could be however it is anticipated that the overall cost to the council for this portion of waste will increase due to three factors –</p> <ul style="list-style-type: none"> • the inflationary rise on landfill tax being applied year on year • significantly lower tonnages being offered in the new contract • no guaranteed tonnage being offered throughout the contract
Name of Lead Officer	Pam Jones

Could your proposal impact citizens with protected characteristics? (This includes service users and the wider community)
Please outline where there may be significant opportunities or positive impacts, and for whom.
This is a process that occurs at the end disposal point of household waste collected from members of the public. This will not result in any changes to the current waste disposal or recycling collections so no positive impacts are anticipated.
Please outline where there may be significant negative impacts, and for whom.
This is a process that occurs at the end disposal point of household waste collected from members of the public. This will not result in any changes to the current waste disposal or recycling collections so no negative impacts are anticipated

Could your proposal impact staff with protected characteristics? (i.e. reduction in posts, changes to working hours or locations, changes in pay)
Please outline where there may be significant opportunities or positive impacts, and for whom.
The use of this new process will not affect Council staff or Kier staff so no positive impacts are anticipated.

Please outline where there may be negative impacts, and for whom.

The use of this new process will not affect Council staff or Kier staff so no negative impacts are anticipated.

Is a full Equality Impact Assessment required?

Does the proposal have the potential to impact on people with protected characteristics in the following ways:

- access to or participation in a service,
- levels of representation in our workforce, or
- reducing quality of life (i.e. health, education, standard of living) ?

Please indicate yes or no. If the answer is yes then a full impact assessment must be carried out. If the answer is no, please provide a justification.

No – there will be no change to services to the public and working terms and conditions for BCC and Kier staff will remain unchanged.

Service Director sign-off and date:
Steve Barrett

Equalities Officer sign-off and date:
Anneke van Eijkern

18 August 2015

13th August 2015