

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer – Supply, Distribution and Property****Tendering Committee: 12 May 2021**

Subject: Contract Authorisation Report - Processing & Treatment of Residual Waste and Processing & Treatment of Bulky Waste**1. Purpose**

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to authorise the Chief Officer – Regulatory and Regeneration to conclude the award of the contracts for Processing & Treatment of Residual Waste and for Processing & Treatment of Bulky Waste.

2. Recommendations

- 2.1** It is recommended that the Tendering Committee:
- a) Authorise the Chief Officer - Regulatory and Regeneration to conclude on behalf of West Dunbartonshire Council (WDC) and Argyll and Bute Council (ABC), the award of the contracts for the Processing & Treatment of Residual Waste and for Processing & Treatment of Bulky Waste to Barr Environmental Limited; and
 - b) Note that the contracts for Processing & Treatment of Residual Waste shall be for a maximum period of four years six months to 31 December 2025 and at a value of £10,328,512 ex VAT for WDC and £2,746,998 ex VAT for ABC
 - c) Note that the contracts for Processing & Treatment of Bulky Waste shall be for a maximum period of four years six months to 31 December 2025 and at a value of £5,805,000 ex VAT for WDC and £2,418,750 ex VAT for ABC; and
 - d) The estimated commencement date of the contracts is 01 July 2021.

3. Background

- 3.1** WDC is the lead authority on two collaborative procurements for i) the processing and treatment of residual waste from kerbside collections (grey/green bins) and ii) the processing and treatment of bulky waste from household waste recycling centres and bulky uplifts.
- 3.2** The processing, treatment, recycling and disposal of residual and bulky waste will in part support WDC to meet their recycling targets, this will also support WDC to meet their statutory obligation on collection and disposal of waste.
- 3.3** WDC budget is included in the operational and revenue costs and this was approved at Council on 24 February 2021. This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial

Regulations and the *Public Contracts (Scotland) Regulations 2015* (above the EU threshold) for Services. A Contract Strategy document was also approved by the Procurement Manager on 13 January 2021.

4. Main Issues

4.1 The Contract Strategy identified that Scotland Excel's Dynamic Purchasing System for the Treatment and Disposal of Recyclable and Residual Waste was the best route to market.

4.2 Under the Treatment and Disposal of Bulky Waste (Lot 11), 13 service providers expressed an interest, with two service providers submitting a response for the further competition by the deadline for the submissions of 5pm on 24 February 2021. These submissions were evaluated by representatives from Waste Services for WDC and ABC and WDC Corporate Procurement Unit against a set of award criteria which was based on Total Cost of Ownership (TCO) / Quality ratio of 85% / 15%. The scores relative to the award criteria of each further competition and tenderer are as follows:

Reception, Treatment and Disposal of Bulky Waste		Barr Environmental Ltd	Enva Scotland Limited
Technical Envelope (Quality)	Sub Section Weighting	Weighted Score	Weighted Score
Service Delivery & Methodology	7.5%	4.875%	7.125%
Social Benefits in Procurement (Community Benefits)	3%	3%	3%
Contract Monitoring and Management	1.5%	1.125%	1.5%
Staffing Project Team Structure	0.75%	0.58125%	0.73125%
Business Continuity Planning & Phase Out Plan & Exit Strategy	0.75%	0.6375%	0.6375%
Sustainability (Sustainable Procurement)	0.75%	0.5625%	0.5625%
eProcurement	0.375%	0.28125%	0.375%
Commitment to Fair Working Practices	0.375%	0.375%	0.28125%
Quality Sub Total %	15%	11.4375%	14.2125%
Commercial Envelope [TCO] Sub Total %	85%	85%	76.76435%
Total Score	100%	96.44%	90.98%

4.3 Under the Treatment and Disposal of Residual Waste (Lot 21), 15 service providers expressed an interest, with two service providers submitting a response for the further competition by the deadline for the submissions of 5pm on 24 February 2021. These submissions were evaluated by representatives from Waste Services for WDC and ABC and WDC Corporate Procurement Unit against a set of award criteria which was based on Total Cost of Ownership (TCO) / Quality ratio of 85% / 15%. The scores relative to the award criteria of each further competition and tenderer are as follows:

Reception, Treatment and Disposal of Residual Waste		Barr Environmental Ltd	Enva Scotland Limited
Technical Envelope (Quality)	Sub Section Weighting	Weighted Score	Weighted Score
Service Delivery & Methodology	7.5%	4.875%	7.125%
Social Benefits in Procurement (Community Benefits)	3%	3%	3%
Contract Monitoring and Management	1.5%	1.125%	1.5%
Staffing Project Team Structure	0.75%	0.58125%	0.73125%
Business Continuity Planning & Phase Out Plan & Exit Strategy	0.75%	0.6375%	0.6375%
Sustainability (Sustainable Procurement)	0.75%	0.5625%	0.5625%
eProcurement	0.375%	0.28125%	0.375%
Commitment to Fair Working Practices	0.3755%	0.375%	0.28125%
Technical Envelope (Quality) Sub Total %		11.4375%	14.2125%
Commercial Envelope [TCO] Sub Total %		85%	76.32405%
Total Score		96.44%	90.54%

4.4 WDC breakdown is as follows:

		Estimated Annual Volume (Tonnes)	Annual Contract Forecast	Contract Value Estimate
Lot 11	Treatment and Disposal of Bulky Waste	12,000	£1,290,000	£5,805,000
Lot 21	Treatment and Disposal of Residual Waste	22,725	£2,295,225	£10,328,512
Total value of both contracts			£3,585,225	£16,133,512

4.5 It is recommended that both the contracts are awarded to Barr Environmental Ltd, of Killoch, Ochiltree, East Ayrshire KA18 2RL, who has provided the most economically advantageous tenders for both procurements. Each of the contracts shall be for a maximum period of four years six months at a value of £16,133,512 ex VAT for WDC and at a value of £5,165,748 ex VAT for ABC. The value of the contracts is within each respective budget approved by the Councils.

4.6 Barr Environmental Ltd has committed to paying all staff as a minimum, the real Living wage (minimum £9.50 per hour) and promotes Fair Working Practices across their organisation. Further, Barr Environmental Ltd has committed to

delivery of the following WDC social benefits as a direct result of delivery of these contracts:

- 2 x Measurable and committed support to the fair work practices for workers (including any agency or sub-contractor workers) engaged in the delivery of this contract;
- 2 x Measurable and committed support for local community benefits as part of this contract;
- 2 x Measurable and committed support for local small and medium sized enterprises as part of this contract;
- 2 x Measurable and committed support for local Supported Businesses as part of this contract;
- 2 x Measurable and committed support for local Third Sector organisation(s) as part of this contract;
- 4 x Community operated transport which helps reduce CO2 emissions or carbon footprint;
- 4 x Donation of goods to local food-share scheme;
- 2 x Donation of labour to support a local community project;
- 6 x Donation of money to a community group or charity that supports health and wellbeing within the community;
- 6 x Donation of money to support a local community project;
- 2 x Donations of materials to support a local community project;
- 2 x Facilitate quarterly work experience opportunities covering a range of work based skills;
- 2 x Provision of volunteers to support a local community project –
- 8 x Sponsorship of a local sports team; and
- 2 x Use of West Dunbartonshire based organisations for sub-contracting opportunities.

The social benefits will be discussed at the implementation meeting with Barr Environmental Ltd and actions to take these forward will be agreed.

5. People Implications

5.1 There are no people implications as a result of this report

6. Financial and Procurement Implications

6.1 Financial costs in respect of these contracts will be met from the approved revenue budgets of Waste Services within each respective Council.

6.2 The term of the contracts allow for setting budget costs for these waste streams for Waste Services for the next four years six months.

6.3 This procurement exercise was conducted in accordance with the agreed contract strategy produced by the Corporate Procurement Unit in close consultation with Waste Service officers of both WDC and ABC and the provisions of WDC's Contract Standing Orders, the WDC's Financial Regulations and relevant procurement legislation.

7. Risk Analysis

- 7.1** Barr Environmental Ltd has no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Councils.
- 7.2** Should the Tendering Committee decide not to proceed as recommended then this will delay the project, may have financial implications and may result in reputational ramifications.
- 8. Equalities Impact Assessment (EIA)**
- 8.1** An equalities screening was undertaken and the results confirmed there are no equalities impact
- 9. Consultation**
- 9.1** Finance Services, Legal Services and Waste Services have been consulted in relation to the content of this report, as have waste colleagues at ABC.
- 10. Strategic Assessment**
- 10.1** The Processing & Treatment of Residual Waste and the Processing & Treatment of Bulky Waste will contribute to the delivery of WDC strategic priorities and particular towards efficient and effective frontline services that improve the everyday lives of residents by supporting recycling levels to maintain sustainable and attractive local communities.

Name: Angela Wilson

Designation: Chief Officer – Supply, Distribution and Property

Date: 15 April 2021

Person to Contact: Alex Grace, Senior Procurement Officer, Corporate Procurement Unit
Telephone 01389 737828
Email: alex.grace@west-dunbarton.gov.uk

Appendices: None

Background Papers: The Contract Strategy
EIA Screening

Wards Affected: All Council Wards.