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Southend-on-Sea City Council

Executive Director (Strategy and Change):

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05 September 2024

Dear Councillor

PLACE SCRUTINY COMMITTEE - WEDNESDAY, 11TH SEPTEMBER, 2024

Please find enclosed, for consideration at the next meeting of the Place Scrutiny Committee taking place on Wednesday, 11th September, 2024, the following report(s) that were unavailable when the agenda was printed.

Agenda No Item

6. **Waste Collection Contract Award (Pages 3 - 8)**
Report of Executive Director (Environment & Place) to follow

8. **Waste Collection Contract Award - Confidential Appendix (Pages 9 - 16)**

Tim Row

Principal Democratic Services Officer

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Meeting: Cabinet

Date: 16th September 2024

Classification: **Part 1 report with Part 2 Exempt Appendix**

Key Decision: Yes

Title of Report: Award of Contract for Waste and Street Cleansing Services

Executive Director: Alan Richards (Environment & Place)

Report Author: Anton Bull, Waste Procurement Adviser

Executive Councillor: Cllr Lydia Hyde (Climate, Environment, and Waste)

1. Executive Summary

- 1.1 Southend-on-Sea City Council (“the Council”) has completed a competitive dialogue process to determine the preferred bidder for the contract for waste and street cleansing services.
- 1.2 Final tenders were received on 27 June 2024 and have been evaluated in accordance with the evaluation criteria set out in the tender documents.
- 1.3 This report seeks authority to award the contract to the highest scoring bidder with the relevant delegated authority to proceed to the completion of contracts.

2. Recommendations

It is recommended that Cabinet:

- 2.1 Approves the award of the contract for waste and street cleansing services to the highest scoring bidder. The contract will commence on 5th April 2025 for a period of eight (8) years with an option to extend the contract by a further period or periods (each to be no less than one year in duration) of up to twelve (12) years in aggregate.**
- 2.2 Delegates authority to the Executive Director for Environment and Place to notify the bidders of the outcome of the procurement and to enter into the relevant contract.**

- 2.3 Notes that the identity of the preferred bidder is confidential (as the procurement is live) until the end of the standstill period at which point councillors will be notified.**
- 2.4 Note the budget implications associated with the contract award set out in section 6 and in Exempt Appendix 1 and that this will be considered as part of the budget setting arrangements for the 2025/26 budget year.**

3. Background

- 3.1 Southend-on-Sea City Council (“the Council”) has a contract in place for Waste Collection, Street Cleansing, Toilet Cleaning, Winter Maintenance, Gulley Cleansing, and other services which expires on 4th April 2025.
- 3.2 The Council has been working to update the waste collection contractual arrangements since the Cabinet decision on 13th February 2018. On 14th June 2022, Cabinet further considered the future of the Waste Collection, Street Cleansing, Toilet Cleaning, Winter Maintenance, Gulley Cleansing and other services, deciding to tender for a new service and initially asking Bidders to submit detailed solutions for an ‘as is’ service and an alternative approach as recommended by the bidder to better achieve the Council’s stated and approved objectives of:
- Recognise the declaration by the Council of a Climate Emergency in 2019 and the need to significantly reduce residual waste.
 - Comply with the Environment Act 2021 and its promulgated requirements for recycling (likely to be 65% by 2035) and other environmental matters and adaptability to further changes in legislation.
 - Satisfy the financial imperatives for the Council to ensure value for money principles are adhered to.
 - Follow the principles of the Waste Hierarchy.
 - Maximise the use of zero or low emission plant and fleet in the operation of the services.
 - Provide the best customer and digital experience for residents.
 - Consider the inclusion of a Commercial waste offering.
- 3.3 The full timeline of decisions made by the Council can be found in the Cabinet report dated 14th March 2024 which can be found here (namely section 5): [Cabinet Report](#)
- 3.4 Public Conveniences cleaning services has been awarded separately to South Essex Property Services which was agreed by Cabinet on 11th January 2024. This contract is also set to start on 4th April 2025.
- 3.5 As part of the dialogue and tender process, at the final stage of procurement, bidders were asked to submit tenders based on alternate weekly recycling and waste collection with a weekly collection of food waste.

- 3.6 Tenders were received from 2 bidders by the deadline of 12.00pm on 27th June 2024.
- 3.6 Prior to the final stage of the procurement in March 2024, councillors were asked to raise any comments and questions (through the scrutiny and member drop-in sessions) to be fed into the competitive dialogue process and the responses to these will be circulated separately to councillors. This report deals only with the contract award on the conclusion of the procurement process.

4. Evaluation of tenders received

- 4.1 Tenders have been evaluated in accordance with the evaluation methodology which was published as part of the tender documents.

Table 1: Level 1 Evaluation Criteria

Level 1 Criteria	Quality	Social Value	Commercial	Total
%	50%	10%	40%	100%
Points	50	10	40	100

- 4.2 The evaluation has been completed in three stages:
 - 4.2.1 the first was a compliance check to ensure that tenders were submitted in accordance with the tender documents. This is a pass/fail test and both bids received passed this test.
 - 4.2.2 Stage 2 was an evaluation of the quality, social value, and commercial elements of the bids.
 - 4.2.3 Stage 3 comprised of a calculation the total points awarded to each bid.
- 4.3 The bidder with the highest combined score is the preferred bidder.
- 4.4 **Exempt (confidential Part 2) Appendix 1** of this report provides councillors with a high-level breakdown of the results of the procurement to inform the contract award.
- 4.5 The names of the bidders cannot be disclosed at this stage as the procurement remains live however recommendation 2.3 confirms councillors will be notified at the earliest possible stage once the standstill period has passed.

The next steps of the process are outlined in the table below:

Activity	Indicative date or period
Cabinet - Agree award of contract	16th Sept 2024
Notification letters issued to successful and unsuccessful Bidders followed by 10 working day standstill period.	17th Sept 2024
Final due diligence and confirmation of commitments leading to contract execution	17th Sept 2024 to 30th Oct 2024
Contract Signed	1 Nov 2024
Mobilisation period	up to 4th Apr 2025
Contract Commencement Date	5th April 2025
Transition to new collection arrangements	Oct 2025

5. Reasons for Decisions

- 5.1 To enable the award of a contract for Waste and Street Cleansing Services and ensure that the Council can discharge its statutory duties in relation to waste collection and street cleansing services from 5th April 2025.

6. Other Options

- 6.2 The Council could decide not to award the contract, but the Council has no other provision in place that would deliver waste collection and street cleansing services delivered from 5th April 2025.

7. Financial Implications

- 7.1 The current budget for the services included in this new contract is £11.1M, with a planned investment into the 25/26 budget of £2.2M as per the Medium-Term Financial Forecast.
- 7.2 The annual price submitted by the successful bidder is set out in the **Exempt Appendix 1**.
- 7.3 In the existing contract, the contractor keeps the income from garden waste collection and bulky waste collection. In the new contract from April 2025 the Council can collect and retain the income from garden waste and bulky waste collection. An estimate of this income is set out in **Exempt Appendix 1**. This income presents the opportunity to reduce the net cost of the contract.
- 7.4 Additional investment is required into the budget as set out in **Exempt Appendix 1** to fully fund the annual cost of the contract, excluding any inflationary uplifts in line with the contract's payment mechanism.
- 7.5 There is also a requirement for one off funding in year one of the contract to provide the necessary infrastructure (namely wheeled bins) and continue with the 'as-is' service for a period of time. This one-off cost is set out in **Exempt Appendix 1** and will need to be funded from Council earmarked reserves.

8. Legal Implications

- 8.1 The Council has taken appropriate steps by procuring the contract using the competitive dialogue procedure in accordance with the Public Contracts Regulations 2015, using external advisers where appropriate to ensure a compliant and fair process.
- 8.2 The Council's legal advisers have confirmed that the identity of the preferred bidder can be shared after the standstill period has passed.

9. Policy Context

- 9.1 The policy and legislative context for the waste collection procurement includes, Environment Act 2021, Public Contracts Regulations 2015, and The Council's Corporate Plan

10. Carbon Impact

- 10.1 Decisions to be taken in respect of the waste collection contract must consider the agreed procurement objectives which seek to maximise carbon mitigation and minimise any detrimental impact on the environment;
- Recognising the declaration made by the Council of a Climate Emergency in 2019 and the need to reduce residual waste.
 - Complying with the Environment Act 2021 and its promulgated requirements for recycling (likely to be 65% by 2035) and other environmental matters and adaptability to further changes in legislation
 - Follow the principles of the Waste Hierarchy.
 - Maximise the use of zero or low emission plant and fleet in the operation of the services.
- 10.2 Bidders were required to submit a service delivery plan detailing how they will measure carbon emissions during the first year of the contract to establish a baseline and outline how they will create a carbon reduction plan for the contract.

11. Equalities

- 11.1 An equalities impact assessment has been carried out on both alternate weekly collections and the wheeled bin criteria as part of the February 2024 budget cabinet papers.

12. Consultation

- 12.1 Consultation has taken place with key internal and external stakeholders during the waste collection contract procurement process.

13. Appendices

Appendix 1: Exempt (Confidential Part 2) - Procurement outcome and financial implications.

14. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
Executive Director(s)	Alan Richards	4 Sept 2024
Monitoring Officer	Susan Zeiss	4 Sept 2024
S151 Officer	Joe Chesterton	4 Sept 2024
Relevant Cabinet Member(s)	Lydia Hyde	4 Sept 2024

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

8

Document is Restricted

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