

EAST HERTS COUNCIL

ENVIRONMENT SCRUTINY COMMITTEE – 1 DECEMBER 2009

REPORT BY HEAD OF ENVIRONMENTAL SERVICES

8. REFUSE, RECYCLING AND STREET CLEANSING CONTRACT DESIGN

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To request that a Task and Finish Group be established to consider the service requirements for a new Refuse, Recycling and Street Cleansing contract.

<u>RECOMMENDATION that</u>	
(A)	A Task and Finish Group be established to undertake the work detailed in this report.

1.0 Background

1.1 The majority of the Council's waste collection services are provided through two main contracts. A Refuse and Recycling contract let in 2002 and a separate Street Cleansing contract let in 2001. Both contracts were let and won independently by MRS Environmental Services Ltd (now part of Enterprise PLC). The annual value of these contracts in the last financial year was £4.53m and £1.05m, respectively. Together they make up the largest single sum expended on external term contracts and are a significant proportion of the Council's net budget.

1.2 In February 2007, following a review by a Member Task and Finish Group, it was agreed to extend the Street Cleansing contract to make it co-terminus with the Refuse and Recycling contract with the objective of letting a single contract for these services. It was determined that this was the best way of packaging this work to achieve economies of scale and best value for the Council.

1.3 Following a detailed review of Refuse and Recycling Services by Environment Scrutiny Committee in December 2007, the Council agreed to extend both contracts until May 2011 to permit the implementation of the Alternate Refuse Collection Scheme (ARC).

2.0 Report

2.1 These services must be let in accordance with European Union procurement legislation and in line with statutory timescales. The lead time for the procurement of a vehicle fleet is approximately 6 months. In order for a new contract to commence from May 2011, the latest date for contract award is November 2010. Timescales for the procurement are set out in the outline timetable at Essential Reference Paper B on page 8.5.

2.2 The first stage of the procurement process is to determine the options for service provision so that these can be built into the draft contract specification.

2.3 In recent years major contracts have benefited from Councillor involvement at the design stage. This has helped officers to focus on the key priorities for the Council and residents, and incorporate service provision options which can be considered once tender prices are received.

2.4 It is requested that a Task and Finish Group be set up to undertake this work commencing in January 2010 for completion by end of February 2010.

2.5 A draft scope for the review is presented at Essential Reference Paper C on pages 8.6 - 8.11.

2.6 It is requested that Group Leaders be asked to propose representatives for the Task and Finish Group. The timescales for the work must be strictly adhered to if the procurement is to be delivered to plan. It is therefore important that nominees are able to commit to attend up to 5 meetings during the months of January and February 2010.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'** on page 8.4.

Background Papers

Reports By Refuse And Recycling Task And Finish Group – Environment Scrutiny Committee (4 December 2007) and Executive (18 December 2007).

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ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/Objectives (<i>delete as appropriate</i>):</p>	<p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Pride in East Herts <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p>Caring about what's built and where <i>Care for and improve our natural and built environment.</i></p>
<p>Consultation:</p>	<p>None</p>
<p>Legal:</p>	<p>It is a legal requirement that this contract be tendered in accordance with EU and National Procurement legislation and in accordance with statutory timescales.</p> <p>The provision of refuse, recycling and street cleansing services is subject to statutory requirements laid down in the Environmental Protection Act (1990) and other associated legislation.</p>
<p>Financial:</p>	<p>There are no financial implications arising from this report.</p>
<p>Human Resource:</p>	<p>There are none</p>
<p>Risk Management:</p>	<p>Failure to meet EU procurement rules could result in legal challenge and potentially a requirement to re-tender services at significant additional cost to the Council.</p> <p>Given the monetary value of these contracts, it is essential that they are design to be attractive to potential bidders with the aim of maximising competition and achieving best value.</p> <p>These service are key to the good reputation of the Council and customer needs and expectations must be considered carefully in their design, procurement and operation.</p>