

Report title: Integrated Waste Handling Contract Service Delivery- Bulk Haulage Contract Award	
Report to: Councillor Malcolm Buckley, Cabinet Member for Waste Reduction and Recycling	
Report author: Samantha Kennedy - Director Environment and Climate Action	
Date: July 2021	For: Decision
Enquiries to: Mark Simpkins Email: Mark.Simpkins@essex.gov.uk	
County Divisions affected: All Essex	

1. Purpose of report

- 1.1. To inform the Cabinet Member for Waste Reduction and Recycling of the results for the competitive procurement for Bulk Haulage.
- 1.2. To obtain approval to progress to award a contract for Bulk Haulage to the winning provider identified by the procurement process conducted.

2. Recommendations

- 2.1. That the contract for Bulk Haulage is awarded to the winning bidder, Waste-A-Way Recycling Ltd., for a period of 4 years from 1 April 2022 with an annual estimated contract value of £3.4m per year.

3. Summary of issue

- 3.1 Essex County Council, as Waste Disposal Authority (WDA) for Essex, must provide Recycling Centre for Household Waste (RCHW) services, and ensure that suitable arrangements are in place to treat and dispose of all Local Authority Collected Waste (LACW). Such waste arises from the kerbside waste collections undertaken by the Essex Waste Collection Authorities (WCA) and from the RCHWs. As part of this service, ECC provides Waste Transfer Stations (WTSs) where LACW is bulked for more efficient onward transport.

- 3.2 Cabinet decision FP/803/09/20 on 24 November 2020 approved that after the expiry of the current Integrated Waste Handling Contract on 31 March 2022, the Council will assume responsibility for operating RCHWs and WTSSs using a Hybrid Sourcing Model. This will include the direct delivery of the service by ECC while haulage, plant and equipment and the marketing of materials would be procured for delivery by contractors.
- 3.3 The decision also delegated authority to the Cabinet Member for Environment and Climate Change Action in consultation with the Cabinet Member for Finance to approve the procurement approach, evaluation criteria, contract length and terms of the award for Bulk Waste Haulage Services.
- 3.4 Existing Bulk Waste Haulage services are provided by the Integrated Waste Handling Contract with Veolia. The existing contract arrangements with Veolia end on the 31 March 2022 and a new contract agreement needs to be in place by this time to coincide with the implementation of the new Hybrid Sourcing Model.
- 3.5 Pursuant to Regulation 67 of the Public Contracts Regulations 2015 (PCR) the open tender was evaluated on a price-quality ratio assessing qualitative, environmental and/or social aspects alongside the cost effectiveness element.

4 Procurement

- 4.1 Following market engagement, an open tender was conducted for the provision of bulk haulage with evaluation criteria of 65% price, 35% quality of which 5% was social value.
- 4.2 Four bids were received, and all of these passed the Standard Selection Questionnaire (SSQ) and were evaluated for quality and price using the previously agreed scoring criteria.
- 4.3 Following the review of the tenders by each evaluation panel member, a consensus meeting was held, and it is recommended that a contract for Bulk Waste Haulage is awarded to Waste-A-Way Recycling Ltd. Based on the agreed scoring criteria, Waste-A-Way Recycling Ltd has provided the most economically advantageous tender, having scored highest overall.
- 4.4 More information on the bids received and the scoring outcomes can be found in Appendix B (Confidential Appendix)

5 Options

Option 1: Award the contract (recommended)

- 5.1 It is recommended that ECC award the contract to Waste-A-Way Recycling Ltd on the basis that it was the most economically advantageous tender using the agreed scoring criteria.
- 5.2 Based on the risk profile the Authority was prepared to accept, i.e. no guarantee of waste volume and no guarantee of disposal destinations, this solution provides significant flexibility for the Authority as the haulage costs will reflect only what is required to be hauled, therefore, any reduction in waste will see a corresponding reduction in the cost of this contract. This contract therefore helps to support waste minimisation.
- 5.3 Waste-A-Way Recycling Ltd committed to deliver significant social value by supporting local employment, minimising the environmental impact of service and providing opportunities for the local supply chain. This commitment was made as part of their Social Value Plan and through the Essex Themes and Outcomes Measures (ToMs). Further information regarding the financial value of this offer can be found in the confidential appendix.

Option 2: Do not award contract (not recommended)

- 5.4 This is not a viable option as services need to be delivered from 1 April 2022 because the current contract between ECC and the incumbent provider expire on 31 March 2022. Delays to the award of this contract put at risk the mobilisation of these services ahead of the commencement of the in-house services.
- 5.5 Not awarding a contract in respect of this service may also adversely affect waste disposal services across the county of Essex which would impact on collections made by WCAs from households.

Next Steps

- 5.6 Subject to approval of this decision, ECC will enter into the contract with Waste-A-Way Recycling Ltd to deliver Bulk Haulage Services which will mobilise by 1st April 2022.

6 Financial Implications

- 6.1 As demonstrated in section 1.2 of the confidential appendix Waste-a-Way were ranked 3rd in the financial evaluation element.

- 6.2 The procurement was evaluated on a hypothetical destination blend, based on a service presented matrix for distances of waste travelled, as longer-term disposal is yet to be procured. Overlaying the award of this tender on existing disposal locations would result in a cost increase of £1m per annum, c.40% increase on 2020/21 prices. This will change once future disposal points are procured. Whilst it is anticipated longer term disposal may be out of county, it is hoped that ECC will attract economies of scale across alternative disposal locations to balance any increase in haulage costs.
- 6.3 Cabinet Decision FP/803/09/20 referred to the change of risk profile in the market and pricing around these contracts, and the anticipated financial implications. This is one of several financial changes to be consolidated throughout the “in-housing” of the service offering. The published MTRS already contains a budgeted increase of £2.3m in relation to these cost inflators. It is envisaged this increase is contained within that published increase. Should the overall increase exceed the £2.3m, additional funds would be requested from the waste reserve, and the MTRS amended to reflect the future pressure.

7 Legal Implications

- 7.1 ECC are under a statutory duty to dispose of Essex residents waste and if they ‘Do nothing’ pursuant to Option 2 in this paper, this would leave ECC unable to comply with its statutory obligations and would be unlawful.
- 7.2 ECC as a contracting authority are required to carry out a procurement exercise that is compliant with the Public Contracts Regulations 2015 and ECC’s internal policies and procedures.

8 Equality and Diversity implications

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

List of Appendices

Appendix A - Equality Impact Assessment
Appendix B – Confidential Appendix

I approve the recommendations set out above for the reasons set out in the report.	Date
Councillor Malcolm Buckley, Cabinet Member for Waste Reduction and Recycling	28.07.21

In consultation with

Role	Date
Councillor Christopher Whitbread, Cabinet Member for Finance	28.07.21
Executive Director, Finance and Technology (S151 Officer) Stephanie Mitchener on behalf of Nicole Wood	27.07.2021
Director, Legal and Assurance (Monitoring Officer) Laura Edwards on behalf of Paul Turner	05.07.2021

Appendix A

Official / Sensitive



Equality Impact Assessment

Reference: EQIA275995078

Submitted: 24 November 2020 11:59 AM

Executive summary

Title of policy or decision: Procure Waste Haulage Services as part of the ECC hybrid waste service implementation

Describe the main aims, objectives and purpose of the policy (or decision): On 24/11/2020 a Cabinet decision was made to replace the current Integrated Waste Handling Contract (IWHC) and to go out to the market to procure contractors to provide:

- a) Waste Haulage Services;
- b) Plant and Equipment, including vehicles, operational plant and waste containers for efficient operation of the services;
- c) Material Marketing Services to sell or pay for the treatment of waste collected;

What outcome(s) are you hoping to achieve?: Enable inclusive economic growth

Which strategic priorities does this support? - Enable inclusive economic growth: Enable Essex to attract and grow large firms in high growth industries

Is this a new policy (or decision) or a change to an existing policy, practice or project?: a change to an existing policy, practice or project

Assessing the equality impact

Use this section to record how you have assessed any potential impact on the communities likely to be affected by the policy (or decision): There is no population affected by the procurement of waste haulage service as this will enable continuation of waste disposal activities at the 21 recycling centres and 5 waste treatment stations; If we are not procuring this contract wide Essex population will be affected.

Does or will the policy or decision affect:

Service users: No

Employees: No

The wider community or groups of people, particularly where there are areas of known inequalities: No

Which geographical areas of Essex does or will the policy or decision affect?: All Essex

Will the policy or decision influence how organisations operate?: Yes

Will the policy or decision involve substantial changes in resources?: No

Is this policy or decision associated with any of the Council's other policies?: No

Is the new or revised policy linked to a digital service (website, system or application)?: No