

CABINET

9 AUGUST 2016

GATEWAY 5 REPORT (HIGH RISK): WASTE COLLECTION AND DISPOSAL CONTRACT

Portfolio Holder: Councillor Phil Filmer, Front Line Services

Report from: Richard Hicks, Director of Regeneration, Culture, Environment and Transformation

Authors: Steve Baker, Head of Waste Services
Michael Kelly, Category Management

SUMMARY

The report provides an update on progress of the contract currently delivered through the supplier(s) and asks Cabinet to agree to continue the contract to the end of its 2 year extension.

1. BACKGROUND INFORMATION

1.1 Budget & Policy Framework

- 1.1.1 This procurement post project appraisal and its subsequent review is within the Council's policy and budget framework and ties in with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans as highlighted within the Procurement Gateway 1.

1.2 Contract Background Information

- 1.2.1 The contract covers the following;

- **Waste Collection and Street Cleansing Services**

Collection of residual, recycling and organic waste from the kerbside, bring sites and streets, processing and the onward sale of all kerbside dry recyclables (not organics) and street cleansing.

The contract commenced on 1 October 2010 for a period of 7 years with an option to extend for 2 years.

- **Disposal of Residual Waste** via a combination of landfill and energy-from-waste to ensure the Council meets, as a minimum, its landfill diversion targets as set down by Government. The contract commenced on 4 October 2010 for a period of 25 years with the option to extend for a further 5 years.

1.3 Funding/Engagement From External Sources

- 1.3.1 Having successfully won £14million of funding under the Government's 'Weekly Collections Support Fund', weekly collections for all three kerbside services – refuse, recycling and food/garden waste - have run successfully since October 2013.
- 1.3.2 The funding paid for:
- Purchasing of 46 new vehicles; Fitted with on-board 360 degree safety cameras and advertising boards. Ownership during and after contract term remains with Medway, however all maintenance carried out by Veolia as part of contract price;
 - The additional revenue cost of running weekly recycling and food/garden services until October 2019
 - Communications with the public. Designing printed literature and consulting residents on its effect; deploying a borough-wide advertising campaign; door-stepping 11,000 homes during a face-to-face campaign; delivery 90,000 kitchen caddies to households allocated a brown bin.
- 1.3.3 For 2014/15, Medway achieved satisfaction levels of 96% for refuse collections and 85% for recycling services. The implementation of weekly collections has also created 40 new jobs in the private sector.

2. STATUTORY/LEGAL OBLIGATIONS

2.1 Statutory/Legal Obligations

- 2.1.1 Such services need to support the council's Waste Strategy that in turn provides the basis for targets in performance and community plans.
- 2.1.2 The primary objectives being:-
- To ensure compliance with statutory duties
 - Meet statutory performance targets
 - Ensure continuity of a front line service
 - Provide services within agreed budgets
 - Meet requirements to achieve efficiency gains
 - Provide environmentally sustainable services

3. BUSINESS CASE

3.1 Procurement Project Outputs / Outcomes

3.1.1 The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement and identified as justification for awarding the contract at Gateway 3, have been appraised in the table below to demonstrate how the procurement contract and corresponding supplier(s) has delivered said outcomes/outputs.

Outputs / Outcomes	How was success measured?	Who measured success of outputs/ outcomes	When was success measured?	How has contract award delivered outputs/outcomes?
1. Ensure compliance with statutory duties	<p>- Collection of household waste from all properties (as defined under EPA 1990) and</p> <p>-At least 2 materials for recycling from all households via kerbside collections by 2010 (Waste Recycling Act)</p> <p>-Cleaning of streets as defined under the Clean Neighbourhoods Act</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns</p> <p>National fly capture reporting Maintaining NI195 inspections</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns quarterly</p> <p>National fly capture reporting Maintaining NI195 inspections despite this no longer being a formal reportable target to DEFRA</p>	<p>All collections and disposal services have been delivered to meet our statutory duties</p> <p>There are no statutory recycling or street cleansing standards, however we have set local targets for recycling, street cleansing standards and customer satisfaction detailed below.</p> <p><u>Recycling</u></p> <ul style="list-style-type: none"> • 2010/11 Target: 36% Achieved: 36.3% • 2011/12 Target: 40% Achieved: 37.9% • 2012/13 Target: 41% Achieved: 41.0% • 2013/14 Target: 42% Achieved: 41.2% • 2014/15

		despite this no longer being a formal reportable target to DEFRA		<p>Target: 43% Achieved: 46.1%</p> <p><u>Street cleansing inspections</u></p> <p><u>Litter</u></p> <ul style="list-style-type: none"> • 2010/11 Target: 95% Achieved: 97% • 2011/12 Target: 95% Achieved: 96.63% • 2012/13 Target: 95% Achieved: 96.37% • 2013/14 Target: 96% Achieved: 97.25% • 2014/15 Target: 96% Achieved: 97.42% <p><u>Detritus</u></p> <ul style="list-style-type: none"> • 2010/11 Target: 92% Achieved: 95% • 2011/12 Target: 92% Achieved: 95% • 2012/13 Target: 92 % Achieved :95.3% • 2013/14 Target: 92% Achieved: 96.5% • 2014/15 Target: 92% Achieved: 95.8%
2. Ensure continuity of a front line service	<p>Days service running</p> <p>Public satisfaction</p>	<p>Head of Service</p> <p>Annual report to Overview &</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p>	<p>Service continuity has been maintained, as there were no major changes in contractors or contractor during 2014/2015, there were no major breaks in service due to extreme weather</p>

	with service delivery	Scrutiny Committee		<div>Measures of public satisfaction (taken via the Medway Council corporate quarterly tracker and annual Residents Opinion Poll) for Contract Year 2014/2015:</div> <table><tr><td></td><td>Target</td><td>Achieved</td></tr><tr><td>Refuse Collection</td><td>91%</td><td>96%</td></tr><tr><td>Recycling</td><td>85%</td><td>85%</td></tr><tr><td>Street Cleaning</td><td>75%</td><td>73%</td></tr></table>		Target	Achieved	Refuse Collection	91%	96%	Recycling	85%	85%	Street Cleaning	75%	73%
	Target	Achieved														
Refuse Collection	91%	96%														
Recycling	85%	85%														
Street Cleaning	75%	73%														
3. Provide services within agreed budgets	Regular monitoring of service costs against budget	Head of Service & Corporate Finance Officer.	Monitored monthly at a local level by the Assistant Director and quarterly at Department Management Team, Corporate Management Team & Cabinet	The contracts have been operating within agreed budgets.												
4. Provide environmentally sustainable services	Undertaking recycling is a key feature of sustainable waste practices. Through the purchase of 46 British built refuse trucks, increased fuel and emission	Head of Service Annual report to Overview & Scrutiny Committee	Monthly contract meetings Annual report to Overview & Scrutiny Committee Monthly corporate monitoring via Covalent returns	Vehicle purchase and delivery completed on time. Percentage of recycled materials are increasing annually (see point 1 above) Percentage of residual waste landfilled is decreasing annually. Below details how the contract has been performing												

	<p>efficiencies will be realised going forward.</p> <p>A reduction to landfill waste will potentially be realised through an increase in recycling collection frequency</p>			<p>against its contractual landfill diversion targets:</p> <ul style="list-style-type: none"> • 2011/12 Target 55.5% diversion Achieved 53% • 2012/13 Target 67.9% diversion Achieved 72% • 2013/14 Target 67.6% diversion Achieved 71% • 2014/15 Target 70% diversion Achieved 72% <p>Working in partnership with Veolia a new service was introduced during 2013 to treat mechanical street arisings rather than send to landfill with 95% being recycled. This includes:</p> <ul style="list-style-type: none"> • Black filter cake – treated and used in land reclamation and restoration • Recovered sand – rewashed for use in concrete • Organic waste – treated and used in land reclamation and restoration • Screened litter – hand sorted and 100% diverted from landfill • Oil & concentrates from separation – reprocessed for use in production of heavy oils • Grey water – used as aggregate wash on site in addition to production of aggregate for re-use
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Outputs / Outcomes	How was success measured?	Who measured success of outputs/ outcomes	When was success measured?	How has contract award delivered outputs/outcomes?
1. Ensure compliance with statutory duties	<p>Our Statutory duty is:</p> <p>Civic Amenities Act 1967 and the Environmental Protection Act 1990 has required local authorities to provide free-to-use household waste recycling centres for their residents to dispose of 'household' rubbish and recycling.</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns quarterly</p>	<p>During the contract year, Medway has maintained the three sites open to all residents of Medway to dispose/recycle/deposit for reuse 'household' waste free of charge.</p>
2. Meet contract performance targets	<p>Target of recycling a minim of 60% during this contract year.</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p> <p>National Waste Dataflow returns quarterly</p>	<p>By increasing the recycling rate the sites have managed to lower the amount of residual waste collected and this has contributed to Medway diverting less waste to landfill. The tonnage of residual waste had decreased year on year. This year has seen a slight increase on last, which is a trend shared nationally:</p> <ul style="list-style-type: none"> • 10,041 tonnes in the first contract year (Oct 2010 to Sept 2011) • To 7,438 tonnes in the second contract year (Oct 2011 – Sept 2012)

				<ul style="list-style-type: none"> • To 7,429 tonnes in year three (Oct 2012 – Sept 2013) • To 7,060 tonnes in year four (Oct 2013 – Sept 2014) • 7,368 tonnes in year five (Oct 14 – Sept 15) <p>The recycling rate at the three sites is: Capstone: 67% Cuxton: 60% Hoath Way: 61% Giving an overall rate of 63% for this contract year.</p>
3. Ensure continuity of a front line service	Days service running Public satisfaction with service delivery	Head of Service Annual report to Overview & Scrutiny Committee	Monthly contract meetings Annual report to Overview & Scrutiny Committee	<p>Service continuity has been maintained, as there were no major changes in contractors or contractor during 2014/2015, there were no major breaks in service due to extreme weather</p> <p>Measures of public satisfaction were also taken via surveys at the three sites in April and August, showing 99% of residents using the site were very or fairly satisfied with the facilities and services offered. This is an increase on the previous years results (Year three 97% of residents using the site were very or fairly satisfied)</p>
4. Provide service within agreed budgets	Regular monitoring of service costs against budget	Head of Service and Corporate Finance Officer	Monitored monthly at a local level by the Assistant Director and quarterly at	This contract is operating within the agreed budget and is subject to RPI/Baxter indices uplifts each year.

			<p>Department Management Team, Corporate Management Team & Cabinet.</p> <p>The contracts are subject to RPI/Baxter indices uplifts each year</p> <p>An income is derived from KCC for allowing access by their residents to our sites. This has generated an income and offset the running costs of the sites.</p>	<p>An income is derived from KCC for allowing access by their residents to our sites. This has offset the running costs for these sites.</p>
5. Meet requirement to achieve efficiency gains	<p>Prudent contract procurement practices, including negotiations for efficiencies during discussions on service improvements and possible contract extension.</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Corporate monitoring via Covalent returns</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p> <p>Monthly corporate monitoring via Covalent returns</p>	<p>The tendering of this contract realised savings in excess of £600,000 per year.</p> <p>Discussions are underway with FCC regarding the possibility of taking up the 2-year contract extension (from 2017 to 2019) and hence achieving efficiency.</p>
6. Provide environmentally sustainable services	<p>Undertaking recycling is a key feature of sustainable waste practices.</p>	<p>Head of Service</p> <p>Annual report to Overview & Scrutiny Committee</p>	<p>Monthly contract meetings</p> <p>Annual report to Overview & Scrutiny Committee</p>	<p>Percentage of recycled materials remains above contracted target</p> <p>Separation of residual wastes into categories suitable for energy recovery</p>

	A reduction to landfill waste will be realised through an increase in recycling and reuse of bulky items that would have been landfill previously.		Monthly corporate monitoring via Covalent returns	or landfill has helped Medway reduce the percentage of landfilled waste
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4. RISK MANAGEMENT

4.1 Risk Categorisation – The following risk categories have been identified as having a linkage to the procurement contract at this Gateway 5 stage. There are no risks associated with this procurement contract at this Gateway 5 stage.

1a Risk Category: Contractual Delivery	Likelihood: D	Impact: II
Outline Description: Default by Contractor needing emergency action		
Plans to Mitigate: Contractor to provide and/or pay for alternative action		
1b. Risk Category: Contractual Delivery	Likelihood: D	Impact: II
Outline Description: Termination of Contract due to default by Contractor		
Plans to Mitigate: Adequate contract provision to enable the Council to take effective action when necessary. Clause in contract to enable Medway to reclaim losses.		
1c. Risk Category: Contractual Delivery	Likelihood: C	Impact: III
Outline Description: volume of waste less than or greater than anticipated		
Plans to Mitigate: Allowance made for this in contract conditions		

2a. Risk Category: Service Delivery	Likelihood: E	Impact: II
Outline Description: Closure of plan or inability to provide Service due to Force Majeure or relief events		
Plans to Mitigate: Shared responsibility under contract conditions		
2b. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Failure of waste management services contractor to meet contract standards for service delivery to the Council		
Plans to Mitigate: KPI & default system in place for financial compensation. Adequate contract monitoring and enforcement in relation to operations. In appropriate cases by including provisions in the contract for deductions where these standards are not met.		
2c. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Interruption of availability of some facilities		
Plans to Mitigate: Adequate contract monitoring and enforcement in relation to maintenance, security, health and safety, staff training. Contractual provision of back-up equipment and facilities. Fire insurance. In appropriate cases by including provisions in the contract for deductions where such interruptions occur		
2d. Risk Category: Service Delivery	Likelihood: C	Impact: III
Outline Description: Non-household waste entering MSW waste stream or waste incorrectly dealt with according to its category		
Plans to Mitigate: Robust monitoring arrangements should be undertaken as part of contract management for checking/validating wastes and issuing appropriate defaults. Failure will have significant financial implications		
3a. Health & Safety	Likelihood: D	Impact: I
Outline Description: Serious injury/death of staff or public while services are in operation		
Plans to Mitigate: Robust health and safety monitoring procedures in place, the waste services contracts in Medway were audited by the HSE in 2011/12 as part of their routine inspection.		
4a. Risk Category: Legal	Likelihood: C	Impact: II
Outline Description: Changes in Government regulations/law		

Plans to Mitigate: incorporated into the contract which is likely to be a known change. Clear ground rules have been incorporated into the contract conditions for negotiating future changes in law. However waste industry is likely to be affected substantially in future. Especially for the 25 year waste disposal contract. The impact of these would be subject to review at the time of establishing whether the financial implications are the responsibility of the Council or shared.		
5a. Risk Category: Financial	Likelihood: B	Impact: II
Outline Description: budgeted net expenditure exceeded		
Plans to Mitigate: Prudent budgeting. Robust arrangements for management within budget. Prompt and accurate assessment of unbudgeted proposals and developments. Early negotiations undertaken with contractor when impacts of budget pressures are apparent		
5b. Risk Category: Financial	Likelihood: E	Impact: III
Outline Description: Overpayment to contractor		
Plans to Mitigate: Robust contract procedures for checking contracts, validating invoices and recovering any overpayments. Staff training. Regular internal audit inspections		
5c. Risk Category: Financial	Likelihood: E	Impact: II
Outline Description: Contractor/employee fraud or corruption		
Plans to Mitigate: Robust contract provisions for controlling payments and assets. Adequate supervision and transparency for contract management and negotiations. Staff training. Regular internal inspections		
1. Risk Category: Contractual Delivery	1. Risk Category: Contractual Delivery	1. Risk Category: Contractual Delivery

Outline Description: Default by Contractor needing emergency action		
Plans to Mitigate: Contractor to provide and/or pay for alternative action		
2. Risk Category: Contractual Delivery	2. Risk Category: Contractual Delivery	2. Risk Category: Contractual Delivery
Outline Description: Termination of contract due to default by contractor		
Plans to Mitigate: Adequate contract provision to enable the Council to take effective action when necessary. Clause in contract to enable Medway to reclaim losses		
3. Risk Category: Contractual Delivery	3. Risk Category: Contractual Delivery	3. Risk Category: Contractual Delivery
Outline Description: Volume of waste less than or greater than anticipated		
Plants to Mitigate: Allowance made for this in Contract		
4. Risk Category: Service Delivery	4. Risk Category: Service Delivery	4. Risk Category: Service Delivery
Outline Description: Closure of plant or inability to provide Service due to Force Majeure or relief events		
Plans to Mitigate: Shared responsibility under contract conditions		
5. Risk Category: Service Delivery	5. Risk Category: Service Delivery	5. Risk Category: Service Delivery
Outline Description: Failure of waste management services contractor to meet contract standards to service delivery to the Council		

Plans to Mitigate: KPI & default system in place for financial compensation. Adequate contract monitoring and enforcement in relation to operations. In appropriate cases by including provision in the contract for deductions where these standards are not met		
6. Risk Category: Service Delivery	6. Risk Category: Service Delivery	6. Risk Category: Service Delivery
Outline Description: Interruption of availability of some facilities		
Plans to Mitigate: Adequate contract monitoring and enforcement in relation to maintenance security, health and safety, staff training. Contractual provision of back-up equipment and facilities. Fire insurance. In appropriate cases by including provisions in the contract for deductions where such interruptions occur		
7. Risk Category: Service Delivery	7. Risk Category: Service Delivery	7. Risk Category: Service Delivery
Outline Description: Non-household waste entering MSW waste stream or waste incorrectly dealt with according to its category		
Plans to Mitigate: Robust monitoring arrangements should be undertaken as part of contract management for checking/validating wastes and issuing appropriate defaults. Failure will have significant financial implications		
8. Risk Category: Health & Safety	8. Risk Category: Health & Safety	8. Risk Category: Health & Safety
Outline Description: Serious injury/death of staff or public whilst services are in operation		
Plans to Mitigate: Robust health & safety monitoring procedures in place; the HWRC's in Medway are regularly audited by the HSE as part of their routine inspections.		
1. Risk Category: Contractual Delivery	1. Risk Category: Contractual Delivery	1. Risk Category: Contractual Delivery
Outline Description: Default by Contractor needing emergency action		
Plans to Mitigate: Contractor to provide and/or pay for alternative action		

2. Risk Category: Contractual Delivery	2. Risk Category: Contractual Delivery	2. Risk Category: Contractual Delivery
Outline Description: Termination of contract due to default by contractor		
Plans to Mitigate: Adequate contract provision to enable the Council to take effective action when necessary. Clause in contract to enable Medway to reclaim losses		
3. Risk Category: Contractual Delivery	3. Risk Category: Contractual Delivery	3. Risk Category: Contractual Delivery
Outline Description: Volume of waste less than or greater than anticipated		
Plants to Mitigate: Allowance made for this in Contract		
4. Risk Category: Service Delivery	4. Risk Category: Service Delivery	4. Risk Category: Service Delivery
Outline Description: Closure of plant or inability to provide Service due to Force Majeure or relief events		
Plans to Mitigate: Shared responsibility under contract conditions		

5. CONTRACT APPRAISAL/PERMISSIONS REQUIRED

5.1 Contract Appraisal

5.1.1 To continue with the current contracts for the remainder of the contract terms and subjecting the contracts to further Gateway 5 requirements;

- Ongoing reporting to Procurement Board/Cabinet to enable a clear auditable trail of contract monitoring
- Opportunity for the contracts to be examined and reviewed on an annual basis

5.2 Permissions Required

5.2.1 Continue with the current disposal and collection contracts with a requirement for further Gateway 5 reporting at the end of year five.

6. CONTRACT MANAGEMENT

6.1 Contract Management

6.1.1 The contract management of these contracts will continue to be resourced for the remainder of the term through the following contract management strategy;

- Client management: These contracts are managed by the Waste Services team within Front Line Services (FLS).
- Additional support is provided by the Community Officers under Safer Communities within FLS who act as the 'eyes and ears' with local residents providing on the ground daily monitoring of standards, in particular fly tip reporting and issues such as 'refuse out early'.
- Contract management: The structure of Veolia's contract management has not altered since last year's reporting.

6.1.2 Waste Services has daily contact with Veolia and holds regular monthly meetings to discuss service delivery, health and safety, financial issues and recycling/customer services statistics e.g. missed bins / recycling rate.

6.1.3 In order to achieve value-for-money from the Veolia contract, it is imperative that the client team retain sufficient human resources to monitor its performance. Despite increasing the number of collections, Waste Services will have not increased the current 3xFTE monitoring officer posts. These posts cover 33% of the whole borough each and are responsible for monitoring the following contract areas:

- Street Cleansing
- Refuse, recycling and organic waste collection
- Clinical waste collection
- Household waste & recycling centre operations

The team liaise with residents and the contractor in order to resolve problems, requests and complaints along with conducting a proactive schedule of contract monitoring.

- 6.1.4 The contract monitoring team works alongside the Waste Development Team (5FTE's) whose responsibility it is to oversee special projects, promotions, social media and website, increasing recycling participation, duty of care auditing, contract billing and statutory reporting of waste statistics.

7. CONSULTATION

7.1 Internal (Medway) Stakeholder Consultation

- 7.1.1 As part of this ongoing procurement contract management, the following mandatory internal stakeholder consultation is required:
- Department Management Team.

7.2 External Stakeholder Consultation

- 7.2.1 Communication with the public – encouraging residents to recycle and minimise their waste. Press releases were issued promoting home composting and recycling. A short video was produced in September 2014 to reinforce the recycling message (promoted on the Medway Matters website and broadcast on the Big Screen). Kitchen caddy liner sales were promoted on the council website carousel and continue to be sold at all Medway libraries.
- 7.3 The Procurement Board considered this report on 6 July and supported the recommendation below.

8. SERVICE COMMENTS

8.1 Finance Comments

- 8.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 10) will be funded from existing revenue budgets.
- 8.1.2 Further detail is contained within the Financial Analysis of the Exempt Appendix.

8.2 Legal Comments

- 8.2.1 There are no legal implications arising directly from the contents of this report.

8.3 TUPE Comments

- 8.3.1 No TUPE comments required.

8.4 Procurement Comments

- 8.4.1 This procurement contract and its associated delivery as per the recommendations at Section 10, has no further procurement implications which Procurement Board/Cabinet must consider.
- 8.4.2 The contract has delivered against the objectives set out as part of the original tender specification and as part of the Gateway 3 contract award process. The supplier, through a robust internal contract management process, continues to provide the service in line with the contract terms and conditions and continues to deliver to the appropriate key performance indicators. This demonstrates that the Gateway 3 contract award decision was both correct and based upon a robust procurement process that has enabled the contract to be delivered effectively in year 1.
- 8.4.3 Category Management team advises Procurement Board/Cabinet to appraise this contract through a minimum of one Gateway 5 per annum to ensure that the contract, which is considered of strategic importance to the Council, continues to deliver effectively throughout the contract term.

8.5 ICT Comments

- 8.5.1 There are no ICT implications

9. OTHER INFORMATION

9.1 Other Information

- 9.1.1 For the collection contract, procurement project management will need to be reviewed in late 2016 to commence processes for the next waste collection contract to start in 2019. This will be supported by the Category Management team.
- 9.1.2 The waste disposal contract is a 25-year, with a potential for a 5 year extension, and so additional procurement project management is unlikely to be required for another 15-20 years. This aspect of the contract will be monitored as required to ensure it is performing well.
- 9.1.3 Building on the success of weekly collections funding, Veolia continue to work with Medway to explore additional cost savings, primarily from schemes that avoid landfill and its associate tax.

10. RECOMMENDATION

- 10.1 Cabinet is recommended to note the progress made to date with the collection and disposal contracts and to approve the continuation of the current disposal and collection contracts with a requirement for further Gateway 5 reporting at the end of year five.

11. SUGGESTED REASONS FOR DECISION

- 11.1 The recommendations contained within Section 10 'Recommendations' above are provided on the basis of value for money and that Veolia have a track record of delivering high quality services for the residents of Medway with very high satisfaction levels recorded.
- 11.2 Further to this, the contract has been well managed by the client department, through the adoption of contract management and the forming of a strong working relationship between Veolia and the Council.

LEAD OFFICER CONTACT

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APPENDICES

Exempt Appendix

BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Full Council Gateway 3 report and decision	http://democracy.medway.gov.uk/ielIssueDetails.aspx?IId=3654&PlanId=0&Opt=3#AI2387	15 Apr 2010
Cabinet Gateway 4 report and decision	http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=7895	17 Jan 2012
Cabinet Gateway 5 report and decision	http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=10019	15 Jan 2013
Cabinet Gateway 5 report and decision	http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=11861	17 Dec 2013
Cabinet Gateway 5 report and decision	http://democracy.medway.gov.uk/ielIssueDetails.aspx?IId=14570&PlanId=0&Opt=3#AI11482	14 April 2015