

## **REGENERATION, COMMUNITY AND CULTURE OVERVIEW AND SCRUTINY COMMITTEE**

**6 JULY 2010**

### **GATEWAY 3 CONTRACT AWARD: HOUSEHOLD WASTE RECYCLING CENTRES**

Report from: Robin Cooper, Director of Regeneration Community and Culture.

Author: Sarah Dagwell, Acting Head of Waste Services

#### **Summary**

This is the Gateway 3 Contract Award report which was submitted to Procurement Board on 30 June 2010, and is for presentation to Regeneration, Community and Culture Overview and Scrutiny Committee on 6 July 2010 and then Cabinet on 20 July 2010 for decision.

#### **1. BUDGET AND POLICY FRAMEWORK**

- 1.1 The basis of the decision is to ensure that the Council achieves value for money, quality service at its household waste recycling centres which comply with its obligations under UK waste legislation and its duty under EU procurement law. The decision after tender for successful bidder will be made by Cabinet.
- 1.2 It is essential the procurement of this service be co-ordinated with the other waste services contracts so that all contracts are aligned from the onset. The anticipated start date is 1 October 2010.
- 1.3 The procurement of the management and operation of the Household Waste Recycling Centres has been undertaken by Medway Council Waste Services working with external consultants, Eversheds who in turn commissioned a team of technical advisors from Entec and financial advice from Ernst and Young. The Waste Services team in conjunction with the Strategic Procurement team have ensured that the external consultants are managed and conform to both EU and Medway's Contract Rules.

## **2. REASONS FOR URGENCY**

- 2.1 The Committee is asked to accept this as an urgent item to enable its views to be forwarded to Cabinet on 20 July 2010.

## **3. RELATED DECISIONS**

- 3.1 Central Government reviewed their Waste Strategy in 2007. These reaffirmed the national targets to achieve recycling and composting of household waste of at least 40% by 2010, 45% by 2015 and 50% by 2020; and recovery of municipal waste to at least 53% by 2010, 67% by 2015 and 75% by 2020.
- 3.2 This report is directly connected to, and follows on from, the Municipal Waste Management Strategy agreed by Full Council on 19 January 2006 and the procurement of the waste collection and disposal contracts as per Cabinet decisions:
- Procurement of Waste Services 20 February 2007 decision number 42/2007
  - Options appraisal for waste collection services 5 August 2008 decision number 175/2008
  - In September 2009 Cabinet agreed to an extension of the current arrangements with Veolia Environment Services (decision number 139/2009). The current contractual arrangements with Veolia Environmental Services have been extended for up to 2 years. The plan is to finish that arrangement at the end of September 2010.
  - On the 26 January 2010, Cabinet agreed to discontinue the previous award procedure for the household waste recycling centres and commence a new procurement process (decision number 18/2010) for the management of household waste recycling centres.

## **4. BACKGROUND/INTRODUCTION**

- 4.1 This report reviews the bids submitted following Invitation to Tender (ITT) for the Household Waste Recycling Centres. It considers the options presented and puts forward the MEAT (Most Economically Advantageous Tender) option.
- 4.2 The procurement of these services has to comply with EU procurement rules and the Public Contracts Regulations 2006. It must also take account of known and foreseen
- waste and recycling targets whilst ensuring continuity of service delivery
  - the interchange from current service provision to the potential new arrangement(s).
- 4.3 Following the decisions mentioned above to commence a new procurement process, Eversheds were appointed as the external legal advisors and project managers for this procurement exercise, supported by Ernst & Young (E&Y) (financial) and Entec (technical).

- 4.4 This procurement is subject to the full application of the EU procurement regulations.
- 4.5 The HWRC Management Contract broadly consists of the following elements:
- The management of three HWRC; Capstone, Cuxton and Hoath Way;
  - The haulage of all materials arising at the sites with the exception of Waste electrical and electronic equipment (WEEE) and household batteries, which are covered by producer compliance schemes (PCS);
  - The marketing and sale of materials arising at the sites with the except of residual waste, wood waste, and those detailed above;
  - Achievement of a 50% recycling rate target (RRT) at each site in the first 12 months after commencement, and 60% for each following 12 month period;
  - The provision and maintenance of containers necessary to provide the service to supplement those provided by the Council; and
  - The provision of all plant and equipment necessary to provide the service including remote access to the CCTV system, an electronic data management system, and an automatic number plate reader (ANPR) system at each site.
- 4.6 Variant bids were not permitted in relation to this tender.

## **5. BUSINESS CASE**

### **5.1 Business Case Summary**

- 5.1.1 The provision, and hence management, of the household waste recycling centres is a statutory duty for the waste disposal authority of an area, of which Medway as a unitary authority holds this duty.
- 5.1.2 The full business case is as detailed in the Gateway 1 report dated 26 January 2010.
- 5.1.3 The procurement management structure from September 2009 comprises:
- Legal advisors and project managers, Eversheds
  - Finance consultant, Ernst and Young
  - Technical consultant, Entec
  - Acting Head Waste Services, Medway Council
- 5.1.4 Medway made the decision in February 2007 to split the current fully integrated contract into separate parts to ensure better competition and hence value for money. This procurement is intrinsically linked to that of the larger household waste collection and disposal contracts. All of the separated contracts must commence on the same day, currently programmed to be 1 October 2010, to ensure service continuity.

### **5.2 Strategic Context**

- 5.2.1 This procurement follows the council's core values to ensure we have services that put our customers at the centre of everything we do at the same time as giving value for money and fits with the strategic priority of a clean and

green environment.

5.2.2 Such services need to support the Council's waste strategy that in turn provides the basis for targets in performance and community plans. The primary objectives are 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.

5.2.3 The current contract for management of the Household Waste Recycling Centres forms part of the integrated waste contract which has been extended for a period of up to two years (from September 2009 as per the provisions within the current contract terms and conditions), but it should be noted the aim is to complete procurement for the management of the household waste recycling centres to enable the new service to commence on 1 October 2010.

5.2.4 In 2008/09 around 130,000 tonnes of municipal waste was generated in Medway. 33.25% of the household waste was recycled or composted with the remaining waste being land filled. The Household Waste Recycling Centres contributes over 31,000 tonnes to this total. Additionally Medway Council must comply with annually reducing targets for the amount of biodegradable waste it landfills under LATS

5.2.5 The performance of the three centres can have a significant impact on our overall total tonnages of municipal waste, LATS targets and our recycling rate. The correct management of these sites is key to improved performance as well as value for money and public satisfaction in service delivery.

### **5.3 Whole Life Costing/Budgets**

5.3.1 Details of the evaluation of the tenders received for the management and operation of the household waste recycling centres contain summaries of the whole life costs of the service and these summaries are best seen in the context of the other factors taken into account in the evaluation and detailed in the exempt appendix.

### **5.4 Risk Management**

5.4.1 Not only are there project risks in letting a viable and affordable contract for the services needed but also there will be a risk obtaining this service within a timeframe that will ensure this smaller contract is able to commence in line with the main collection and disposal contracts.

5.4.2 The risks identified to date are detailed below:

No	Relevant Risk	<i>Significance</i> H, M or L	<i>Likelihood</i> H,M or L	Mitigating factors or action to be taken	By whom
1	Insufficient resources to deliver the project.	M	M	Advance planning and action when required.  Use of external resources for project management, technical and financial advice.	Proc. Board
2	Invitations to tender fail to stimulate a response from the market.	H	H	Ensure contract requirements are packaged appropriately to invoke sufficient interest.  Avoid restricting the market by packaging services to make contracts larger under the belief it will derive economies of scale.  Ensure all previous expressions of interest are advised of tender.	Project team
3	Changes in government regulations.	H	H	Incorporate into the contract that which is likely to be a known change.  Prepare clear ground rules to be incorporated into the contract conditions for negotiating future changes in law.	Project team  Legal services
4	Effect of change as a result of elections May/June 2010.	M	L	Whatever the outcome the council has to continue to comply with legislation.  The council has to continue to meet the targets that have been set.  The council will still be fined if we do not meet our statutory obligations under LATS legislation.	

5	Tendered prices unacceptable to council	H	H	Build in to each service contract a pricing mechanism with a PC sum arrangement for certain services which allows them to be removed or modified to meet budget constraints.	Proc. Board Cabinet
6	Project fails to achieve a solution in sufficient time to allow a smooth handover from existing to new contract(s) for.	M	M	Service providers now being found outside of the larger well known waste service companies so competition improving.  Relatively easy to handover providing disposal solutions in place.	Project team Project Board

## 5.5 Market Testing (Lessons Learnt/Bench Marking)

5.5.1 General background: Following publication of a Prior Indicative Notice (PIN) in 2006/7 in the Official Journal of the European Union (OJEU), in a technical journal and in a local newspaper discussions were undertaken with a large number of service providers who had expressed an interest in providing future waste services to the Council. This allowed a soft market testing exercise to take place for all the waste services, including those detailed in this report and provides sufficient justification that the marketplace is sufficient and capable of delivering Medway's requirements. The Council team undertaking this exercise comprised representatives from Waste Services, Legal Services, Procurement, Finance and Corporate Review.

5.5.2 The waste strategy and inputs from external advisors, guidance from central government, interviews with representatives of industry and consultation with other authorities who had obtained or required similar services helped to formulate the approach necessary to ensure interest and good competition as summarised below:

- Partnership options reviewed as part of the waste strategy development in 2004/5. No viable partnerships could be found at that time.
- In response to an earlier pin notice, 10 companies expressed an interested the management of the three household waste recycling centres.
- Independent report produced by white, young and green from which the way forward with procurements was presented to cabinet in August 2008.

5.5.3 Service delivery mechanism: In the January 2010 Gateway 1 report consideration was given to the service delivery mechanisms and cabinet selected EU procurement process with the appointment of Eversheds as legal advisors and project managers, technical advice from Entec and financial advice from Ernst and Young. This produced a team who had the capacity and experience to procure this management contract on behalf of the council.

## **5.6 Stakeholders Consultation**

- 5.6.1 In preparing the waste strategy there was extensive consultation with the public, industry and special groups. These are detailed in the waste strategy. A questionnaire to 5,000 members of the public was organised and evaluated by an external agency and members of the citizens' panel were involved in reviewing and commenting on waste disposal options.
- 5.6.2 As part of the wider procurement exercise in 2007 advertisements were placed in the Official Journal of the EU for industry to meet with the Council's waste procurement team and provide their views on the way the waste industry is likely to change in the future, what the Council should take heed of and what they were able to provide. This was conducted to encourage future competition and to ensure that wherever practicable the Council took account of their views in the preparation of the subsequent contract documentation.

## **5.7 Equalities Issues**

- 5.7.1 A Diversity Impact Assessment review was undertaken by Waste Services for the whole of waste services contracts in January 2009. It is anticipated that the changes proposed in service delivery will be equitable and similar to the current service.
- 5.7.2 In developing the Municipal Waste Management Strategy for Medway, on which the procurement has been based, the Council consulted with a wide range of stakeholders including councilors, parish councils, other local authorities, officers, waste and recycling organisations, charities, resident groups, churches and interested parties, including Medway's diversity forum and Medway ethnic minority and senior citizens association. Opinion polls and questionnaires were invited from all local citizens covering all gender groups and ages during the development of the waste strategy. These were analysed and no significant differences in responses were observed in any gender or age group. The waste services team also worked with the youth parliament to ensure the views of young people were also taken into account.
- 5.7.3 Where a resident is less able bodied, due to disability or age, the Council offers assistance at the sites.
- 5.7.4 Where Medway's residents may have literacy difficulties or use English as a second language, a translation facilities is available for leaflets and pictures are used on site to explain what materials can be deposited in which banks wherever possible.

## **5.8 Environmental Issues**

- 5.8.1 The services being procured create a number of environmental issues. The Council has a statutory duty arrange for places to be provided that persons resident in its area may deposit their household waste and a duty to arrange for the disposal of the waste so deposited. . In so doing many other environmental factors are created or affected by the services including the type of technology used compact and/or store waste, the type of transport and

fuels used to transfer the bulked materials to the end processors/disposal point, the amount of recycling achieved and the proximity of plants for processing or disposing of the waste or the markets used for any re usable/recycled materials.

- 5.8.2 In addition there are ancillary issues such as waste licensing requirements and the need to comply with constantly changing legislation and targets.

## **6. PERMISSIONS / CONSENTS**

- 6.1 The household waste recycling sites are owned by Medway Council and are subject to licence by the Environment Agency. The successful bidder for the will need to apply for the transfer of these licences.

## **7. INVITATION TO TENDER**

### **7.1 Summary of Tender Process**

- 7.1.1 Following on from Cabinet's decision in January 2010 to 'discontinue the current award procedure and commence a new procurement process' a new OJEU notice was placed in the official journal on 4 February 2010, the Invitation to Tender (ITT) under the Restricted Procedure was issued on the 13 April 2010 with return of tenders on 26 May 2010.

- 7.1.2 The HWRC Management Contract is due to commence on 1 October 2010 and expire on 30 September 2017. The Contract contains provision for it to be extended for a further period of up to 2 years.

- 7.1.3 Medway Council asked tenders to submit bids for the management and operation of three household waste recycling centres, the haulage of the collected materials to the appropriate disposal and/or processing facility(s) and for the ownership of collected recyclable materials to transfer to the contractor.

### **7.2 Tender Evaluation**

- 7.2.1 The procurement for the management of the Household Waste Recycling Centres is following the restricted procedure.

#### **7.2.2 Process**

- 7.2.2.1 The Council has instructed Eversheds, Ernst & Young ("E&Y") and Entec to carry out the evaluation of the tenders in accordance with the Council's evaluation methodology set out at Appendix 1 (sub appendix A) of the exempt appendices. Details of the evaluation process and the conclusions reached by the Council's team are set below. The detailed financial and technical evaluation scoring is set in Appendix 1 of the exempt appendices. The conclusions within this report are derived from the reports supplied by Entec and EY.



7.2.2.2 Eversheds have provided comments and scoring in relation to the TUPE aspects of Method Statement 2 (which forms part of the technical evaluation report) only.

7.2.2.3 The Council's evaluation criteria are as follows:

(1) Price	47%
(2) Technical and Professional Ability	53%

### 7.2.3 Price (47%)

7.2.3.1 The price element was evaluated on the whole life cost to the Council including the cost of:

- Maintenance and management of the sites, including finding end markets for all materials except residual waste, wood waste and items subject to producer responsibility including waste electronic and electrical equipment and household batteries.
- Haulage of residual and wood waste to the council designated site
- Undertaking annual satisfaction surveys

7.2.3.2 A score of 100% is allocated to the Tender which offers the lowest whole life cost to the Council. This therefore achieves the maximum 47% weighted score available. A score for the next cheapest priced Tender is calculated based on the extent to which it is more expensive than the cheapest Tender.

### 7.2.4 Technical and Professional Ability (53%)

7.2.4.1 The technical evaluation comprised an assessment of the method statements submitted as part of each Tender. The weighting given to each method statement and the further sub-weighting for the constituent parts within each method statement are as follows:

<b>MS No</b>	<b>Method Statement</b>	<b>Weighting</b>
<b>MS1</b>	<b>General Summary</b>	<b>0%</b>
<b>MS2</b>	<b>Management and Operation of the HWRCs</b>	
	Site Performance and Maintenance	28%
	Traffic Management	3%
	Training, Welfare and Resources	10%
	Employment and Staffing	2%
	Marketing and sale of materials	15%
<b>Total weighting for MS2</b>		<b>58%</b>
<b>MS3</b>	<b>Community Engagement and Re-Use</b>	
	Public Interface	12%
	Re-use of Goods and Materials	7%

<b>Total weighting for MS3</b>		<b>19%</b>
<b>MS4</b>	<b>Communication and Reporting</b>	
	Communication Plan	5%
	Monitoring and Evaluation	8%
	Management Systems	2%
<b>Total weighting for MS4</b>		<b>15%</b>
<b>MS5</b>	<b>Mobilisation, Contingency and Contract Expiry</b>	
	Mobilisation Plan	1%
	Contingency Plan	6%
	Expiry Plan	1%
<b>Total weighting for MS5</b>		<b>8%</b>
<b>TOTAL</b>		<b>100%</b>

7.2.4.2 The technical evaluation has been completed using the above published evaluation criteria.

7.2.4.3 In terms of the evaluation of Technical and Professional Ability, Bidder's responses were assessed to determine the degree to which the quality criteria had been met and were awarded a score out of 10 as defined below. Four members of Entec staff read and scored the bids independently of each other prior to discussing and agreeing a common score in accordance with the scoring framework outlined below.

<b>Standard of Response</b>	<b>Score</b>
Exceptional standard of response, and/or firm and credible indication of added value/benefits.	10
Very good standard of response and/or firm and credible indication of some added value/benefits.	9
Good standard of response without any issues. Comprehensive, robust and well justified, showing full understanding of the requirements and is fit for purpose.	8
Response generally of a good standard, although there are a few minor omissions and/or issues over fitness for purpose.	7
Response generally of a good standard, although there are a number of omissions and/or issues over fitness for purpose.	6

Basic response that achieves reasonable standards in some respects but unsatisfactory in others, and/or has number of omissions. Raises concerns over fitness for purpose.	5
Inadequate response that is generally unsatisfactory and/or has significant omissions. Raises number of concerns over fitness for purpose.	4
Inadequate response that is unsatisfactory and/or has significant omissions. Raises serious or many concerns over fitness for purpose.	3
Poor or unacceptable response. Insufficient information provided. Poor confidence in ability to provide the services. As it stands the proposal is not fit for purpose.	2
Very poor or unacceptable response. Insufficient information provided. Very low confidence in ability to provide the services. As it stands the proposal is not fit for purpose.	1
Fundamentally unacceptable response. Clear evidence of non-compliance, for instance; inability to meet requirements, or proposal with unacceptable consequences.	0

### **7.2.5. Compliance Check**

7.2.5.1 An initial compliance check was carried out and a number of issues were noted and queried with bidders. All the bid documents were then circulated to the Council team for the purposes of carrying out the evaluation.

7.2.5.2 During full assessment of the bids, it became apparent that there were a number of issues with one of the bidders returns that made it non-complaint and hence they have been removed from the evaluation process.

### **7.2.6 Clarifications**

7.2.6.1 Initial clarifications were raised with all bidders during the evaluation period. All bidders have responded promptly to all clarifications raised. These clarification responses have been taken into account as part of the evaluation.

## **8. TENDER EVALUATION**

8.1 Ernst & Young have undertaken an assessment of the whole life cost of all bids to the Council and Entec have undertaken an assessment of the technical merits of each method statement for all bids.

8.2 Scores were subsequently discussed and finalised at a formal moderation meeting on 14 June 2010 held at Eversheds' offices in London. The moderation meeting was attended by Eversheds, Entec, Ernst & Young and Medway Council waste managers.

8.3 The full reports from Ernst & Young and Entec are attached in the exempt appendix.

#### 8.4 Overview

Bidder 1 - State that they will meet and exceed the council's targets through:

- New material streams including cooking oil, Tetrapak, chemical waste at all sites and re-use. However, they do not propose to collect mixed dry recyclables (MDR) but to separate it out;
- Changing the layouts of the sites to encourage recycling;
- Roll out of plasterboard to Hoath Way;
- New WRAP signage and directions to alternative facilities should materials not be accepted at a site;
- Recycling advisors Meeting and Greeting users; and
- Prevention of trade waste abuse by direct staff employment, no removal of goods/material of acceptance of gratuities, use of ANPR and a frequent visitors list, photography of unauthorised waste, height barriers, and private vans only being allowed in to a nominated site (Capstone) by appointment.

Bidder 2 - Proposals to increase and meet recycling rates through:

- Re-branding and awareness campaigns;
- Reviewing the site layouts;
- Colour coding the containers to differentiate between re-use, recycling and waste;
- Improved signage;
- Introducing new recyclables where space and outlets permit;
- More staff in peak periods;
- Introducing an incentive scheme for staff;
- Encouraging third sector re-use; and
- Promoting a community reward scheme and involvement in the service.

Bidder 3 - Propose to improve performance by:

- Rewarding recycling, meeting and greeting users, and generally making it easy to recycle and 'difficult to dump';
- Increase staffing from 3 to 4 per site, to improve interaction with the public and achieve the above and reduce commercial waste abuse;
- Reorganise layout of containers on the sites; and
- Introduce staff incentives for recycling and management of commercial waste abuse.

Bidder 4 - Propose to improve recycling rates by:

- WRAP signage;
- Installation of gantries as well as containers, CCTV, ANPR and new compactors;
- New layout at Hoath Way;
- Introduction of staff incentives;

- Improved customer interface by meeting and greeting users;
- Introduce the collection of rigid plastics, and the trial of CDs, videos, vinyl and tapes;
- Community planting schemes to promote involvement; and
- A recycling database to comprehensively manage performance and outlets.

## 8.5 Price

8.5.1 E&Y have undertaken an assessment of the cost of each tender to the Council. Their report is set out in the exempt appendix.

8.5.2 Based on the evaluation methodology referred to in the exempt appendix, the weighted financial scores (out of the maximum of 47%) for each tender are as follows:

	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Financial Score (%)	42.48%	47%	15.84%	45.37%

8.5.3 The cheapest tender is Bidder 2.

## 8.6 Technical and Professional Ability: Method Statements

8.6.1 Entec have undertaken a review of the method statements provided by each tender and Eversheds evaluated the TUPE aspects of method statement 2. The detailed analysis and unweighted scores against each limb of the method statements are set out in the exempt appendix.

8.6.2 Based on the evaluation methodology referred to in the exempt appendix, the weighted technical scores (out of a maximum of 53%) for each tender are as follows:

	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Technical and Professional Ability Score (%)	38.90	28.83	23.37	41.02

8.6.3 The bidder with the highest score for technical and professional ability is Bidder 4.

## 9. PREFERRED BID

9.1 The Council will make its decision based on the most economically advantageous tender (MEAT) which has been derived from the combining of the financial score with the technical and professional ability score to give an overall winning bid.

9.2 The council has evaluated the tenders received from 4 bidders as against its evaluation criteria which are split between price (47%) and technical and professional ability (53%). Combining the financial scores and the technical

and professional ability scores for each tender, the final scores are as follows:

	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Financial Score (max 47%)	42.48%	47.00%	15.84%	45.37%
Technical and Professional Ability Score (max 53%)	38.90%	28.83%	23.37%	41.02%
<b>Total Score (out of 100%)</b>	<b>81.38%</b>	<b>75.83%</b>	<b>39.21%</b>	<b>86.39%</b>

9.3 The bid from Bidder 4 is the most economically advantageous tender.

## **10. PREPARATION OF THE NEXT STAGE OF PROCUREMENT**

### **10.1 Resources and Project Management**

10.1.1 It is proposed that a draft management guide is prepared for officers and Members outlining the service requirements of the contract together with a summary of the respective contractual obligations of both the contractor and the Council in providing the services. Insofar as TUPE is concerned, this is a second generation contract letting which means there will have been no TUPE transfers involving current officers of the Council. The contract does make provision for the contractor to comply with any TUPE requirements arising out of the award of the new contract.

### **10.2 Contract Management**

10.2.1 Waste Services are resourced to deal with waste contracts of this size and will have support in monitoring the services by Safer Communities' Officers and the Environmental Enforcement Team.

## **11. COMMENTS OF THE PORTFOLIO HOLDER FOR FRONT LINE SERVICES**

11.1 Alongside the provision of an effective waste collection and disposal service for Medway it is vital to ensure that Medway is in a position to grow and develop in the 21<sup>st</sup> Century. There is a clear need to manage Medway's waste in both a sustainable and effective way. The use of an objective procurement process will allow the Council to assess all the factors and technologies that private sector partners can offer to achieve these aims.

11.2 Medway is currently recycling or composting in excess of the Government's current target of 30% per annum. However, pressure from the need to achieve targets that divert biodegradable municipal waste from landfill together with expected increases in national recycling targets, means that Medway must adapt waste management practices once current contractual arrangements finish. This procurement process will allow those service developments to come into place for Medway.

- 11.3 We need to be in a position to contract for the household waste recycling centre management to ensure that Medway maintains a quality public realm for its stakeholders.

## **12. PROCUREMENT BOARD**

- 12.1 The procurement board considered this report on 10 March 2010 and supported the recommendations as set out in section 14 below.

## **13. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS**

### **13.1 Comments of the Chief Finance Officer**

The tender process has been very competitive thus ensuring that value for money can be demonstrated. Further analysis of the successful bids will identify the extent of any efficiency savings realised once service betterment has been accounted for. In the exempt report the total forecast cost of the contract for 2010/2011 are detailed. The full year cost for 2011/12, as also presented in the exempt report will be considered in the Medium Term Financial Plan.

### **13.2 Comments of the Head of Procurement**

Strategic Procurement acknowledges that Eversheds suggested, supported by Queen's Counsel, that the Council should commence a new procurement process. This Gateway 3 report and the recommendations herein are a reflection of this the advice provided by Eversheds to commence a new procurement process. Eversheds as external consultants have managed this procurement process.

Eversheds have advised that the procurement was a fair, robust and compliant procurement process. Strategic Procurement supports the recommendations contained within this Gateway 3 report. Strategic Procurement has commented on the process and is satisfied that the guidance provided to the client department should ensure that the Council is protected from risk and that this procurement contract award delivers best value.

### **13.3 Comments of the Monitoring Officer**

The duty in the procurement is to award the contract to the most economically advantageous tender. On the basis of the scoring of the evaluation criteria, applying the evaluation methodology, the recommendations in the report are consistent with that duty.

As soon as possible after any decisions are made to award the contract to the most economically advantageous tender as set out within this report, EU Procurement rules require the Council to inform all those bidders who were involved in the relevant procurement process of its decision in relation to the award of the contract. The Council must allow a period of at least 10 clear days between the date on which the bidder is informed of the decision and the

date on which the Council enters into the contract. The Council must, if it receives a request from any of the unsuccessful bidders, provide the reasons why the relevant bidder was unsuccessful and the characteristics and relative advantages of the winning bidder.

#### **14. RECOMMENDATIONS**

- 14.1 The Committee is asked to recommend that Cabinet agrees the award of the contract for the management of the household waste recycling centers to Bidder 4 as the most economically advantageous tender (MEAT).
- 14.2 The Committee is asked to recommend that Cabinet agrees to authorise the Chief Finance Officer (who is the officer responsible for the proper administration of the Council's financial affairs under section 151 of the Local Government Act 1972) as the officer responsible for signing certificates issued under the Local Government (Contracts) Act 1997 in respect of the management of the household waste recycling centre contracts to be entered into by the Council.

#### **Lead officer contact:**

Report Originating Officer:	Sarah Dagwell	☎ 01643 331597
Chief Finance Officer or deputy:	Mick Hayward	☎ 01643 332220
Monitoring Officer or deputy:	Angela Drum	☎ 01643 332022
Head of Procurement or deputy:	Gurpreet Anand	☎ 01643 332450



## Background papers

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

<b>Description of document</b>	<b>Location</b>	<b>Date</b>
Gateway 1 Options Appraisal: Management of Household Waste Recycling Centres	Web site & waste services section	January 2010
Options Appraisal for Waste Collection Services	Web site & waste services section	August 2008
Procurement of Waste Services	Web site & waste services section	February 2007
Reports on discussions with potential service providers.	Waste services section	Oct to Dec 2006
Municipal Waste Management Strategy	Web site & waste services section	January 2006
Review of Potential Partners for Medway	Waste services section	2006
The Best Practical Environmental Option	Waste services section	2005
Medway Waste Survey Final Report	Waste services section	2004