

**Agenda Item:**

**Report to:** Cabinet

**Date:** 4<sup>th</sup> October 2004

**Report from:** Executive Director, Environment and Safety

**Title of report:** **CONTRACT PROCUREMENT – REFUSE COLLECTION AND STREET CLEANSING – SERVICE SPECIFICATIONS**

**Purpose of report:** To seek Member approval for the outline refuse collection and street cleansing contracts specifications and their core aims and objectives

**Recommendations:** That Members support the principles set out in this report and the detailed specifications which promote this approach

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*Some appendices may not be available on the website. A copy can be obtained from Elaine Wood, Principal Committee Administrator, telephone no. 01424 - 781717*

## **1.0 Background**

- 1.1 The current contract was let in November 1995 and was initially for eight years with an option to extend by two years. This contract originally incorporated Grounds Maintenance and Leisure Services as well as Waste Services. The Leisure element was subsequently sub contracted to DC Leisure early in the contract term. The option to extend was exercised in 2003 and additional resources were provided for street cleansing in recognition of changes in circumstances within the town.
- 1.2 This decision was made mainly due to the uncertainty that existed at that time about County wide waste disposal arrangements. The current waste disposal contract was at that time under negotiation and the detail of arrangements for the handling of recyclates was unclear.

## **2.0 Context**

- 2.1 The importance of effective refuse collection and street cleansing services in enhancing local environments and communities and contributing to the aims of the Community Strategy by making Hastings 'a town that is good to live in' are well documented. Well kept and clean streets and public open spaces are proven to enhance the quality of life, reduce the fear of crime and perception of crime, discourage vandalism and anti social behaviour, and encourage communities to take pride in their neighbourhoods.
- 2.2 The current contracts for refuse collection and street sweeping have served to promote these aims to a large extent. Variations have however been necessary during the course of the current contract to recognise the changing circumstances in the town. There are also some weaknesses within the contracts which need to be addressed in the revised specification to meet modern day expectations and enable effective performance management of the successful contractor.
- 2.3 There is also a growing environmental awareness within the community and a need to reduce the amount of waste generated for disposal. There is a need to respond to this and the more stringent statutory targets for recycling, which will apply in the next few years and enhanced collection of recyclables must feature within the contract.

## **3.0 Coverage**

- 3.1 The contract broadly covers two main elements, firstly refuse collection, which will now need to have recycling integrated within it and secondly street cleansing.
- 3.2 The refuse collection contract will, it is proposed, include:-

- The collection of Household Waste;
- The collection of Recyclables from individual households from the Kerbside;
- The collection of Bulky Household Waste;
- The collection of Commercial Waste on behalf of the Council; and
- The collection of Household Clinical Waste.

3.3 The Street Cleansing Contract will, it is proposed, include:-

- Street Sweeping;
- Street Washing;
- Beach Cleaning;
- Dog Waste removal
- Litter and Dog Waste Bin emptying;
- Removal of Graffiti;
- Removal of Fly Tipping;
- Leaf Clearance;
- Removal of Needles and Syringes.

#### **4.0 Contract Specifications**

4.1 The draft contract specifications are attached at Appendix A. Whilst the street cleansing draft is generally based on the existing contract specifications the refuse collection draft has been substantially rewritten to recognise the need for effective integration of recycling with refuse collection. The opportunity has also been taken to combine examples of good practice from other local authorities' specifications, which assist in achieving the objectives of the service. The key elements of the draft specifications are highlighted below.

4.2 Overall, the existing service is maintained the difference being that residents will be expected to separate their waste. The refuse collection specification has by necessity refocused on a two stream collection service whereby residual waste and recyclables are co-collected weekly and separated green waste is collected separately on a fortnightly basis. A challenging target for achieving this at 90% of all properties by 1<sup>st</sup> April 2007 is proposed and considered essential if we are to meet our targets for recycling. In recent years many local authorities have introduced alternate weekly collections, whereby residual waste is collected one week and recyclates the next. However, the trend is now for these authorities to be reintroducing weekly collections of residual waste as a result of hygiene and safety issues associated with residual waste being stored for two weeks rather than one. Consequently it is proposed that an alternate weekly collection system should not be considered.

- 4.3 The specification also requires the contractor to ensure the recycling services provided achieve **at least** the prescribed statutory recycling performance targets.
- 4.4 The specification also moves toward wheeled bins provided by the Council wherever practicable with sacks provided by the Council and delivered by the contractor as an alternative where wheeled bins are not practicable. It is suggested that the introduction of wheeled bins would be advantageous for several reasons, such as reducing problems associated with vermin, seagulls, and foxes.
- 4.5 Existing arrangements for specialised and more frequent collections in high density housing areas will remain in place but improvements to the on street storage facilities will need to be achieved.
- 4.6 It is also proposed that refuse is collected from the curtilage of properties rather than the point of storage. In reality this is current practice for the majority of households. The contract does however provide for assisted collection in cases of difficulty.
- 4.7 It should be noted that the contractor will be expected to maintain normal scheduled collection arrangements during working weeks affected by Bank and other public holidays. The only exception being during Christmas and New Year.
- 4.8 The draft specification now includes provision for a commercial waste collection service which is intended to be at least self financing. This will enable the local authority to offer a more flexible approach to commercial waste collection than that offered by private contractors and address some of the problems experienced with bulk waste bins and inadequate commercial waste storage facilities in some areas of the town.
- 4.9 The Street Cleansing specification places emphasis on the Environmental Protection Act Code of Practice on Litter and Refuse with a requirement to exceed the code in a small number of areas which are subject to high public use.
- 4.10 The specification provides for beach cleaning. There will however need to be clarification on how this is to be addressed in view of the recent developments over Trust Status applying to most, but not all, of the beach involved.
- 4.11 The key issue within the General Specification is the arrangements for waste disposal. The closure of the local landfill site during the proposed contract period will lead to some uncertainty over this. Provision is therefore included to make additional payments to the contractor up to the amount received from the County Council as 'tipping away' payments should the contractor be required to dispose of waste outside of the Borough.
- 4.12 It should also be noted that the contract specifications attached at appendix A are in draft form, and although Officers believe that they now address the key elements of the services concerned in fairly comprehensive detail, they still need to be linked to other key documents such as the pricing schedules. Further work is also required to ensure that the refuse collection and street

cleansing specifications are written and arranged in a consistent format, and that all measurements quoted are metric etc. This work will be completed by the end of November, and will not affect the substance of the specifications.

- 4.13 There are lots of other issues that will also be addressed in the Conditions of Contract, which will form part of the final contract between the Council and the chosen service provider. Examples of such issues include: paid leave for public duties, e.g. Justices of the Peace, school governors or local councillors; data protection; human rights; European monetary union. These issues are covered by this report.

## **5.0 Quality and Performance Management**

- 5.1 The specifications include detailed requirements in relation to service quality and contractor performance which will be measured by a series of Local and Best Value Performance Indicators.
- 5.2 Regular monitoring and performance reports will be required of the contractor and will be supplemented by random inspections, monitoring and complaint investigation by the Environmental Services Team.

## **6.0 Approach to Procurement**

- 6.1 This service is being procured under the Restricted Procedure contained in the Public Services Contract Regulations 1993. Simply put, this involves a two-stage approach to the procurement exercise.
- 6.2 Firstly, there is the screening stage. This stage enables the Council to draw up a short-list to be invited to tender. Applicants apply to the Council to be considered for short-listing by completing a pre-tender questionnaire, which gives the Council details of the applicants' financial standing and of referees for similar contracts they are currently providing or have provided. The Council tests the financial strength of the applicant and takes references. Appendix B to this report is the questionnaire that was sent to referees and Appendix C is the scoring matrix for assessing the returns. Once this exercise is completed invitations to tender can be issued to the successful applicants. The number of applicants that can be invited to tender on this occasion is 8.
- 6.3 The second stage is the evaluation of the tenders. This involves a detailed examination of the tenders against a pre-determined scoring matrix, which takes into account the quality criteria the Council would wish to see demonstrated and of course the price. The proposed evaluation criteria are attached at Appendix D.
- 6.4 A robust and detailed evaluation model has been devised in order to comprehensively evaluate contractor's tender submissions. Section A of this model will deal with the financial submission whilst section B evaluates a series of

quality measures. The balance of these is proposed as 50% price and 50% quality.

## 7.0 Policy and financial Implications

- 7.1 All tendering exercises carry a degree of financial risk. They must by necessity strike a balance between quality and affordability and not focus solely on price. Every effort has been made to embrace Best Value principles and allow flexibility in preparing the specifications, whilst simultaneously containing the potential cost.
- 7.2 It is recognised that the integration of recycling into the refuse collection contract to meet statutory targets considerably raises the profile of recycling and will increase the cost of the contract. This has been recognised in the Council's Medium Term Financial Strategy.
- 7.3 On this occasion, in order to give the Council some flexibility in what is otherwise a rather restrictive procedure, in the original OJEU Notice the Council stated that variants would be permitted. This enables the Council to structure the tender so the tenderer is pricing those matters that must be delivered, e.g. statutory and essential requirements but then also pricing optional extras above the minimum that enhance the service provision. On tender evaluation, the Council will then have some flexibility in whether or not it proceeds with the options.
- 7.4 It is proposed that the contract will include mechanisms to deal with any major change that occurs during the duration of the contract, e.g. changes to the National procurement agenda or the Council's ability to trade.

## 8.0 Recommendation

- 8.1 That Members support the principles set out in this report and the detailed specifications which promote this approach.

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## Appendices & background documents.

- Appendix A Proposed outline contract specifications for refuse collection and street cleansing, including a contents page.
- Appendix B Questionnaire sent to referees.
- Appendix C Scoring matrix for evaluating references.
- Appendix D Post tender evaluation criteria.

## Policy implications

Please tick if this report contains any implications for the following:

Equalities & Community Cohesiveness	<input type="checkbox"/>
Crime and Fear of Crime (Section 17)	<input type="checkbox"/>
Risk Management	<input checked="" type="checkbox"/>
Environmental issues	<input checked="" type="checkbox"/>

Economic / Financial implications

X
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Human Rights Act

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Organisational Consequences

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Any ticked areas should be referred to in the text of the report under the heading "policy implications"

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