

## ***Report to the Cabinet***

***Report reference: C-123-2008/09***

***Date of meeting: 20 April 2009***



**Epping Forest  
District Council**

**Portfolio:** Environment

**Subject:** Revised Waste Management Service – Purchase of Vehicles & Containers

**Responsible Officer:** John Gilbert 01992 564062).

**Democratic Services Officer:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

- (1) That the revised waste management service commence on 7 September 2009 and that the service be rolled out across the whole District at the same time;**
- (2) That three procurement exercises be pursued for:**
  - (a) wheeled bins;**
  - (b) food waste containers; and**
  - (c) refuse collection vehicles;**
- (3) That the procurement exercises be conducted by the Essex Procurement Hub using framework agreements to obtain quotes covering the cost and supply arrangements for this equipment;**
- (4) That at the same time as the exercises in (3) above are being conducted, Sita be asked to provide the Council with the best quotes they are able to obtain for the equipment required, without the addition of any pecuniary interest (profit element) to benefit Sita;**
- (5) That upon completion of the procurement exercises above, the Environment Portfolio Holder meet with the Directors of Environment and Street Scene and Finance and ICT to evaluate the quotes obtained and will determine which is the most economically advantageous; and**
- (6) That dependant on the outcome of the evaluation exercise, and if it is appropriate, exclusive rights be awarded to Sita to procure the specified goods on behalf of the Council (in accordance with section 7 of the European Commission Directive 93/36EEC) and that Sita be required to observe the principle of non-discrimination on grounds of nationality when awarding any contract.**

### **Executive Summary:**

The revised waste management service was agreed by Cabinet at its special meeting on 19 January 2009. The funding for the changes will be met jointly by this Council and the Essex County Council, in the latter case subject to this Council signing the Inter Authority Agreement (IAA) with the County Council. Agreement to sign the IAA was agreed in principle

by Cabinet at its meeting on 9 March 2009.

In view of the likely timeframes involved in going through normal purchasing arrangements, this report puts forward recommendations related to the purchasing arrangements for the additional vehicles and containers which will be required to deliver the new service. Whilst early purchasing is of the essence in this matter if the new service is to be introduced in September of this year, this has to be balanced against the need to ensure that the Council purchases the right quality equipment and is able to demonstrate that it has achieved value for money.

This report sets out the purchasing options.

This is a key decision.

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2009/10 Cabinet priority 3: achieving value for money

2009/10 Cabinet priority 17: implementing the revised waste management service by September 2009

### **Reasons for Proposed Decision:**

To agree the most effective process for purchasing vehicles and containers for the revised waste management service so as to ensure the service is able to commence in September 2009.

### **Other Options for Action:**

Given that the commencement of the revised service in September 2009 is one of the Cabinet's key priority objectives for 2009/10, there are no other options available which will enable this timeframe to be achieved. Furthermore, the introduction of the service changes in September would provide a significantly enhanced service to residents at the time when the weekly summer collections would be drawing to an end.

### **Report:**

1. Cabinet, at its special meeting on 19 January 2009 agreed to the introduction of a revised waste management service:

- new weekly co-mingled collection of food and garden waste utilising a new 180 litre wheeled bin;
- all residual waste to be collected fortnightly using the existing standard 180 litre bin;
- all current fortnightly collections of recyclables to be retained (blue box and clear sack); and
- the use of bio-degradable plastic sacks for the collection of garden waste was to cease with the introduction of the revised service.

2. It was further resolved that the revised service should be introduced as soon as possible in the 2009 calendar year. The Waste Management Partnership Board met on 18 March 2009 and received details of the steps already taken to bring the revised service into place, and agreed that that it should commence on 7 September 2009, with all of the District receiving the revised service at that time (i.e. no phasing in arrangements).

3. This proposal is a pragmatic one since:

- (a) it coincides with the drawing to an end of the weekly summer collection period, and

therefore provides a significantly enhanced service to replace that going into the autumn;

(b) it constrains the period of time over which the Council is making operational support payments to Sita for the existing service level;

(c) provides a useful period of time over which residents can become familiar with the new arrangements ahead of the spring of 2010 when it can be anticipated that the amount of garden waste put out for collection will rise again; and

(d) it will avoid the difficulties which arose during the original introduction of the wheeled bin where a 4 phase approach was used (*Recommendation (1)*).

4. However, in order to achieve this implementation date, consideration has to be given to how best to purchase the vehicles and containers which will be required so that all are available at the date of commencement. There tends to be long lead in time for refuse freighters (RCVs) and waste containers, and these lead in times can vary considerably over a time period based on demand and the availability of raw materials etc.

5. The existing wheeled bins were purchased from Otto. They are of excellent quality and meet all the required standards for wheeled bins. The existing bin lifts on vehicles were also provided by Otto, on the basis that this ensured compatibility between the bins and the lifts thereby minimising damage and associated costs. It is also very advantageous to continue with the use of Otto bins or those with the same specification since it is intended to use standard colour bins but interchange different coloured lids for the different services, thereby making the best use of both the new and the existing stock of wheeled bins.

6. Five new RCVs are required to deliver the new service, namely:

(i) One 4 X 2 RCV (with lift);

(ii) One 6 X 4 RCV (with bar lift); and

(iii) Three 6 X 4 RCVs (with split lifts).

7. Contract standing orders (CSOs) require, where a framework agreement exists, for the Essex Procurement Hub to be used for purchasing goods and services. The Hub does have a framework for RCVs (hire and/or purchase) but does not have one for wheeled bins and caddies etc. However, The Hub does have access to other consortia arrangements which do have appropriate frameworks in place. Sita UK, as a large European based organisation, also has in place arrangements for the purchase of vehicles and containers with the major providers to the industry.

8. It is therefore proposed that The Hub undertake three procurement exercises for:

(i) wheeled bins;

(ii) food waste containers; and

(iii) RCVs.

*(Recommendations (2) and (3))*

9. Given Sita's purchasing powers it is further proposed that they be requested to provide the Council with the best quotes they can obtain for the same specification equipment, these quotes to exclude the addition of any on-cost (*Recommendation (4)*).

10. Once these separate exercises have been completed, it is suggested that the Environment Portfolio Holder meet with the Directors of Environment & Street Scene and Finance & ICT to evaluate the quotes and to determine which is the most economically advantageous (MEA). If the outcome of that evaluation is that any of the quotes of Sita reflect MEA then the relevant equipment be purchased through Sita. Such action can be taken in accordance with Section 7 of the European Commission Directive 93/36EEC (*Recommendations (5) & (6)*).

### **Resource Implications:**

At the Cabinet meeting on 19 January 2009, capital provision of £1.375 million was made for the purchase of vehicles and containers. This allocation is net of the £500,000 of capital to be provided to the Council by the Essex County Council in 2009/10.

Similarly, at the same Cabinet meeting, CSB provision of £150,000 was made for 2009/10 with a further £150,000 in 2010/11 for the provision of the services. This figure is net of estimated recycling credit and other related payments and the revenue support payment of £280,000 in 2009/10 and £450,000 in 2010/11 and thereafter, from Essex County Council. This CSB provision was agreed by Council as part of the 2009/10 budget setting meeting.

There are no staffing implications with all implementation and service management requirements being met from within existing resources.

### **Legal and Governance Implications:**

Environmental Protection Act 1990  
Waste & Emissions Trading Act 2003  
Controlled Waste Regulations 1992  
Household Waste & Recycling Act 2003  
European Commission Directive 93/36EEC

There are no Human Rights implications arising from this report or its recommendations.

See impact assessments for reference to Contract Standing Orders.

### **Safer, Cleaner and Greener Implications:**

The collection of and recycling of household waste is a key component of the Council's "Safer, Cleaner, Greener" strategy. The new service arrangements should enable the Council's recycling performance to exceed 50% thereby maintaining top quartile performance and contributing to the targets and aspirations of the Essex Joint Municipal Waste Management Strategy, adopted by the Council in September 2008.

The new service arrangements will require additional discipline on the part of residents, but the Council will continue to exercise its powers only when absolutely necessary and only following officer visits and the provision of advice and guidance.

### **Consultation Undertaken:**

Waste Management Partnership Board.  
Sita UK.  
Essex County Council.

### **Background Papers:**

Cabinet report, 19 January 2009

Agenda to Waste Management Partnership Board, 18 March 2009  
Adoption of JMWMS, Cabinet 1 September 2008

**Impact Assessments:**

The new waste service must be fully inclusive ensuring that the needs of all elements of the community are, as far as is practicable, met (e.g. those with disabilities, religious and ethnic groups). This may require special collection arrangements either individually such as in the case of a specific disability or collectively, such as the collection of additional waste at times of special festivals.

There are risks associated with the timing of these procurements to ensure that the service can be provided for the planned commencement date of 7 September 2009. This may require the setting aside of Contract Standing Orders in order to obtain the best prices as well as adhering to timetable.