

## **Report to the Cabinet**

**Report reference:** C-057-2012/13  
**Date of meeting:** 4 February 2013



**Portfolio:** Environment

**Subject:** Development and Procurement of the next Waste Management Contract – Establishment of a Portfolio Holder Advisory Group

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

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

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

- (1) That the Environment Portfolio Holder establish a Portfolio Holder Advisory Group; and**
- (2) That a bid be included in the draft Budget for a District Development Fund (DDF) estimate of £100,000 for 2013/14 in order to appoint specialist consultants to support the procurement process.**

### **Executive Summary:**

The current waste management contract with Sita ends on 4 November 2014. Given the importance of this service to residents, the net cost of around £5 million per annum and the wide range of possibilities for future service delivery, it is suggested that, as with the development of the existing contract, the Environment Portfolio Holder establish an Advisory Group to assist him in reviewing the existing arrangements and considering future service delivery and contractual options. At the same time it is suggested that there would be merit including the Grounds Maintenance Service in the same review.

Given the complex nature of the required procurement process it will be necessary to appoint specialist consultants and budgetary provision in 2013/14 is sought for this purpose.

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

To advise the Portfolio Holder on service delivery and contractual options and provide budgetary provision for the forthcoming procurement process.

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

Not to establish an Advisory Group and for the Portfolio Holder to bring forward options to Council in due course. However, given these are important, high value, district wide services, the input from other Members would make a valuable contribution to the contract procurement process.

The provision of funding could be delayed, but since consultancy assistance will be required at some time in the future it is prudent to make that provision as part of the 2013/14 budget making process.

## **Report:**

1. The current waste management contract with Sita ends on 4 November 2014, at the end of its full seven year (5 + 2) term. Prior to the letting of the present contract, the then Environment Portfolio Holder established a Portfolio Holder Advisory Group, whose role it was to consider a wide range of service delivery and contractual options and advise the Portfolio Holder accordingly.

2. Whilst November 2014 would appear to be a long way off, the letting of a substantial contract such as waste management, with a potential value of in excess of £50 million over its term, requires careful and early consideration. Contracts for services such as waste management need long lead in times, often at least 3 to 6 months, and potential complications around depot provision and location, which could further extend the lead in period, make it even more important that an early start is made to the procurement process.

3. The Grounds Maintenance Service was assessed by external consultants last year and found to be operating very effectively and providing excellent value for money. However, with its forthcoming move to the new depot at Oakwood Hill and the associated changes in operation, this presents an opportunity to review Grounds Maintenance service levels alongside those of the waste management operation.

4. It is therefore suggested that the tasks for the proposed Portfolio Holder Advisory Group should encompass:

- establishing a time frame for the review process;
- reviewing the current service levels of the waste management and grounds services;
- reviewing the existing contract terms and conditions with Sita;
- reviewing existing and forthcoming relevant legislation to determine any potential impact upon future service arrangements;
- consideration of future service standards for the waste and grounds services;
- consideration of what services should be included in any future procurement process;
- consideration of the most effective procurement process (i.e. standard EU procurement or competitive dialogue);
- consideration of the length of contract and any agreed extension;
- consideration of whether specialist consultancy assistance will be required to support the Council during the procurement process and if required, how that should be procured; and
- any other relevant issue which arises during the course of the Advisory Groups work.

## **Resource Implications:**

Initial stages of the Advisory Group activities to be resourced from within existing resources. However, as the process moves forward it will be necessary to appoint consultants to advise the Council and budgetary provision will be required. It is likely that the Council will be recommended to follow the "Competitive Dialogue" approach to the procurement of the contract, and therefore the DDF bid sought below allows for the additional costs that will arise from such a procurement route. To that end and to ensure resources are available in 2013/14, it is recommended that a bid be made in the draft Budget for a DDF estimate of £100,000 to enable the appointment of specialist consultants to advise and assist the Council in any forthcoming procurement exercise.

## **Legal and Governance Implications:**

The Constitution enables the formation of an Advisory Group by a Portfolio Holder. Portfolio

Holder Advisory Groups do not fall within the general rules applying to committees and sub committees and therefore, for example, pro-rata does not apply. However, given the importance of the services under review, it is considered that a cross party approach would be beneficial. The makeup of the Advisory Group is therefore suggested as follows:

- Conservative Group: 4 Members;
- Lib Dem Group: 1 Member;
- LRA Group: 1 Member; and
- Non affiliated: 1 Member.

Group Leaders will be requested to appoint accordingly and non affiliated Members will be approached direct.

It should be noted that the final decisions rest with the Portfolio Holder who shall report to Cabinet accordingly.

Other non members of the Advisory Group will be able to attend and participate in meetings, but they will not be able to engage in any decision making.

**Safer, Cleaner and Greener Implications:**

The waste management and grounds maintenance services are high profile public facing services, and it is vital that future services should be fit for purpose and delivered efficiently and economically

**Consultation Undertaken:**

None.

**Background Papers:**

None.

**Impact Assessments:**

Risk Management

These are high profile public facing services which need to be provided effectively and efficiently. All stages of the process need to be correctly managed, especially to ensure that any procurement exercises are undertaken in strict accordance with the Council's CSOs and EU law. It is also vital that the contract documents and service specification are fit for purpose, ensuring that Members' wishes for service delivery and standards are maintained and enabling the Council to exercise appropriate contractual control.

Equality and Diversity

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* No

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.