

**REPORT TO:** Executive Board Sub Committee  
**DATE:** 2<sup>nd</sup> April 2009  
**REPORTING OFFICER:** Strategic Director Environment  
**SUBJECT:** Waste Management and Recycling Contract  
**WARD(S):** Borough-wide

**1. PURPOSE OF REPORT**

1.1 This report seeks to update Members regarding the procurement of a Waste Management and Recycling Contract (WMRC) for Merseyside and Halton.

**2. RECOMMENDED: That:**

**2.1 Members note the progress made with the procurement of a Waste Management and Recycling Contract for Merseyside and Halton, and**

**2.2 Members note that the MWDA Board, at their meeting of 15<sup>th</sup> April 2009, are expected to determine the bidder which has submitted the most economically advantageous tender in response to MWDA's Call for Final Tenders in the WMRC procurement and will enter into the WMRC with that bidder on behalf of itself and Halton.**

**3. BACKGROUND**

3.1 At their meeting of 29<sup>th</sup> March 2007, the Executive Board approved a Contract Procurement Strategy with Merseyside Waste Disposal Authority (MWDA) for the provision of services and facilities for the recycling and treatment of waste for Merseyside and Halton (minute EXB106/2007 refers).

3.2 In order to secure Halton's involvement in contractual arrangements required to meet recycling and waste diversion targets, Executive Board Members, at their meeting of 19<sup>th</sup> July 2007, approved the delegation of defined aspects of the Council's waste disposal functions to allow the MWDA to procure two principal waste contracts on behalf of itself and Halton; a Waste Management and Recycling Contract and a Resource Recovery Contract (minute EXB20/2007).

3.3 The arrangement approved by the Executive Board authorised the MWDA to enter into both contracts on behalf of Halton Borough

Council and the purpose of this report is to advise members of the current stage of the procurement process in relation to the Waste Management and Recycling Contract.

#### **4. SUPPORTING INFORMATION**

- 4.1 The Waste Management and Recycling Contract (WMRC) includes the operation and management of Household Waste Recycling Centres (HWRC's), the provision and management of Materials Recycling Facilities (MRF's), the management of Waste Transfer Stations and the option for the provision of facilities for the treatment of kitchen waste. The contract is for a period of 20 years.
- 4.2 For Halton, this contract will provide for the management of the two Household Waste Recycling Centres at Picow Farm Road in Runcorn and Johnson's Lane in Widnes, together with the Haddocks Wood composting facility for the receipt and composting of green waste. It will also see the provision of Materials Recycling Facility (MRF) services for the receipt and processing of recyclable materials collected through Halton's kerbside recycling services. Halton will have opportunities to deliver other waste streams to this contract, such as street cleansing waste, by agreement with the MWDA and the appointed contractor.
- 4.3 The procurement of the WMRC has been through a competitive dialogue process and has involved the following steps:
- Pre qualification (PQQ)
  - Invitation to submit outline solutions (ISOS)
  - Invitation to submit detailed solutions (ISDS)
  - Call for final tenders (CFT)
- 4.4 From a provisional list of 45 potential bidders, 9 companies returned Pre-Qualification Questionnaires for the Waste Management and Recycling Contract. Following an Invitation to Submit Outline Solutions (ISOS) evaluation, four companies were selected to go forwards to the next stage and were issued with an Invitation to Submit Detailed Solutions (ISDS). These were:
- Shanks
  - SITA UK
  - Veolia
  - Waste Recycling Group
- 4.5 Only three companies (SITA, Veolia and Waste Recycling Group) responded to the ISDS. Following further evaluation, Sita and Veolia were identified as the final two bidders and both have both completed the Call for Final Tender stage.
- 4.6 Following final evaluation of technical, legal and financial submissions a preferred bidder will be announced following consideration of a report by the MWDA. The forecasted timetable is as follows:

- MWDA Board meeting 15th April 2009
- Preferred bidder announced 16<sup>th</sup> April 2009 (estimated)
- Contract award 1<sup>st</sup> May 2009 (estimated)
- Operational start date 1<sup>st</sup> June 2009

4.7 As stated in paragraph 3.3 above, the MWDA have delegated authority to enter into the WMRC on behalf of Halton Borough Council and the decision made by MWDA Board Members on 15<sup>th</sup> April 2009 will secure Halton's inclusion in that contract for a period of 20 years.

4.8 A further report, outlining the specific service delivery plans for Halton, together with financial and other information, will be provided to Members following the contract award.

## **5. FINANCIAL IMPLICATIONS**

5.1 Previous financial forecasts predicted the future costs of the WMRC. Members are advised that, following an evaluation of the final bids received from both Sita and Veolia, the actual cost of the WMRC are within those previously forecasted and demonstrates that Halton has achieved an economy of scale from being involved in the procurement of contracts with the MWDA.

5.2 The bids from both Sita and Veolia include proposals for the enhancement and refurbishment of Halton's HWRC sites and this will require capital investment in year one of the contract. The two proposals vary and the specific capital investment will be known once the preferred bidder has been identified.

## **6. POLICY IMPLICATIONS**

6.1 There are no policy implications as a result of this report.

## **7. OTHER IMPLICATIONS**

7.1 There are no other implications arising from this report.

## **8. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **8.1 Children and Young People in Halton**

No direct impact

### **8.2 Employment, Learning and Skills in Halton**

No direct impact

### **8.3 A Healthy Halton**

No direct impact

#### **8.4 A Safer Halton**

No direct impact

#### **8.5 Halton's Urban Renewal**

No direct impact

### **9.0 RISK ANALYSIS**

9.1 There is a significant risk that, failure to procure contracts for waste treatment services and facilities will leave the authority vulnerable to the significant financial and other risks associated with failing to meet future waste management targets.

### **10.0 EQUALITY AND DIVERSITY ISSUES**

10.1 There are no equality and diversity issues as a result of this report.

### **11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

11.1 There are no background papers within the meaning of the Act