

RECORD OF EXECUTIVE DECISION

Tuesday, 17 January 2023

Decision No: (CAB 22/23 35956)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Finance and Change
SUBJECT:	Commercial Waste Disposal
AUTHOR:	Katie Renouard

THE DECISION

- (i) To approve an extension to the existing Agreement with the Provider for two years from April 2023 to March 2025.
- (ii) To delegate authority to the Head of Supplier Management to take the necessary actions to give effect to this decision.

REASONS FOR THE DECISION

A two-year extension to the Agreement will offer best value, provide sufficient time for the Council to further develop the strategy relating to its commercial waste service and help to alleviate the strategic procurement resource and capacity pressures facing the organisation.

There is a requirement under the Environmental Protection Act 1990 for waste collected by local authorities to be disposed of and therefore the Council must have a contract in place with a supplier to provide a commercial waste disposal service. If the extension period to the Agreement is not agreed, the Council will need to procure a replacement contract which will require reprioritising resources from existing projects. This approach would result in additional procurement and mobilisation costs and there is no evidence that a replacement contract would offer better value.

The Agreement is delivering against its objectives and performance standards. The Provider is positively contributing to delivery of social value through its operations which (subject to formal agreement with the Provider) would be enhanced as part of agreeing the recommended extension period.

The Agreement does not contractually commit the Council to use solely the Provider for commercial waste disposal and there are no committed tonnage requirements and, therefore, the Council could elect to use alternative disposals sources and/or reduce (or increase) its disposal levels without financial penalties if the Council's circumstances or requirements change

during the extension period, subject to compliance with public procurement law and the Council's Constitution.

The waste disposal sites are within the city making this an efficient arrangement in respect of operations and the environmental impact of these operations.

Remaining with the Provider until March 2025 will allow a degree of certainty in terms of the cost of commercial waste disposal because the Agreement contains fixed tonnage rates charges (subject to indexation) to which the Provider and the Council will be bound during the extension period.

To date, the Agreement features as a project within the Council's Strategic Procurement Programme (SPP). As part of planning resources and activity relating to the overall SPP, the use of contractually permissible extension options for relevant contracts have been considered and where it is determined that the contract continues to provide best value, recommendations to extend contracts are being made. This, in particular, is in the light of the significant strategic procurement activity and pressure on the organisation in the years up to 2026, the very limited resource available, the cost of undertaking successful procurement projects, prevailing market pressures and costs and the Council's ability to withstand the rising contract costs which are very likely to result from many of the re-procurements in the SPP.

DETAILS OF ANY ALTERNATIVE OPTIONS

Extending the Agreement by one year only

Whilst this option would allow continuity of operation and cost stability for an additional year, this is rejected as it would require further consideration and a subsequent decision in respect of the of the final year extension, which - when considering the contractual position set out in point 4 - is not deemed to be appropriate use of the Council resource as there would be no discernible additional benefits in doing so.

Undertaking a procurement for a new commercial waste disposal contract to be in place by the end of the initial three-year period

It is unlikely that the Council could secure a more favourable commercial position by going out to market as providers are seeking to pass significant risks onto clients because of the prevailing market conditions. This approach would result in additional procurement and mobilisation costs and there is no evidence that a replacement contract would offer better value.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 17th January 2023

Decision Maker:
The Cabinet

Proper Officer:
Claire Heather

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*