

<b>REPORT TO:</b>	<b>Cabinet 15 November 2021</b>
<b>SUBJECT:</b>	<b>Contracts for the receipt, bulking, haulage, and treatment of food waste and green waste</b>
<b>LEAD OFFICER:</b>	<b>Sarah Hayward – Interim Corporate Director of Sustainable Communities, Regeneration &amp; Economic Recovery  Steve Iles Director of Sustainable Communities</b>
<b>CABINET MEMBER:</b>	<b>Councillor Muhammad Ali Cabinet Member for Sustainable Croydon</b>
<b>WARDS:</b>	All

#### **COUNCIL PRIORITIES 2020-2024**

The recommendations address the following Council's priority:

- *We will live within our means, balance the books and provide value for money for our residents.*

The separate collection and subsequent treatment of food and green garden wastes are essential features of modern, sustainable, and cost effective household waste management services, making a significant contribution to the recycling rate in the borough and keeping residual waste treatment costs to the lowest possible levels.

The treatment of these wastes have been in operation for over 15 years in the SLWP boroughs and the total cost of the handle haul and treatment of green and food is now more than 50% cheaper than the cost of disposal via thermal treatment in our energy recovery facility. In addition, through these contracts, the food and green wastes we collect are transformed by treatment into new products, including biogas that displaces fossil fuels, compost, and soil conditioner for agriculture.

#### **FINANCIAL IMPACT**

Waste treatment and disposal budgets are to some extent demand-led, in that they are in direct proportion to the tonnages of these wastes presented by each borough's residents, the costs per tonne associated with the recommended tenders are less than those being paid to the incumbent contractor.

However, whilst the cost per tonne associated with the recommended tenders are less than those being paid to the incumbent contractor, due to the impacts of COVID19 and the resultant increase in the cost of waste treatment and disposal, in addition to the impact on the collection contract resulting from the new waste transfer station location, it is likely that this saving in the rate per tonne will not result in a budget saving but will rather bring down the increased costs relating to COVID and bring the boroughs back into existing budgets.

In summary, the positive financial outcomes of the procurement are:

- the avoidance of an increase in disposal costs estimated to be in excess of £6m per annum (c£3m pa for Croydon) had no solution been tendered by the commercial sector, and
- a reduction in the impact of the increased costs relating to COVID thereby bringing the boroughs closer to within existing budgets.

#### **FORWARD PLAN KEY DECISION REFERENCE NO 4521CAB**

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

### **1. RECOMMENDATIONS**

1.1 The Cabinet is recommended by the Contracts and Commissioning Board to:

1.1.1 Following the procurement process detailed in the report and subject to approvals through the relevant governance processes in LBs Merton, Kingston and Sutton, approve the South London Waste Partnerships (SLWP) recommendations for the RB Kingston (procuring authority on behalf of SLWP) to award the following contracts for the handling and treatment of food and green garden waste for an initial period of 4 years and 7 months commencing on 1 September 2022 with options to extend until 31 March 2030 for a maximum contract value of £16m (which for Croydon represents £1.4m for the initial term, and £4m over the life of the contract

1.1.2 award **Lot 1** to BioCollectors (Direct Delivery of Food)

1.1.3 award **Lot 3.1** to CountryStyle (Villers Road Green Waste)

1.1.4 award **Lot 3.2** to Olleco (Villers Road Food Waste)

1.1.5 award **Lot 5.1** to SUEZ (Transfer, haul, treat Green)

1.2 Approve that the Council enters into an Inter Authority Agreement (IAA) substantially in the form appended to the Part B report on this agenda (which sets out the roles and responsibilities of each of the SLWP boroughs in respect of the procurement, sharing of costs, contract management and other responsibilities in respect of the new food and green garden waste contract) with the agreement and finalisation of terms of the said IAA being delegated to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery.

### **2. EXECUTIVE SUMMARY**

- 2.1 **Purpose of Procurement** - The aim of the food and green waste procurement project is to ensure continuity of food and green waste treatment services and to achieve the optimum financial and environmental outcome for the receipt, bulking, transport, and treatment of Croydon's source segregated food and green garden wastes.
- 2.2 **Sourcing Strategy** - The sourcing strategy for the food and green waste procurement was presented and approved at the South London Waste Partnership (SLWP) Joint Waste Committee (JWC) in December 2020.
- 2.3 **Policy Context** - This Contract supports the Council's policies and priorities in that it provides the optimum environmental and financial solution to the treatment of separately collected food and green wastes. It further supports the delivery of the Mayor of London's Reduction and Recycling Plan (RRP) regime and the requirements of the Governments Resources and Waste Strategy for these specific waste streams
- 2.4 **Financial considerations** - the costs per tonne associated with the recommended tenders are less than those being paid currently to the incumbent contractor. However, whilst the cost per tonne is less than currently, due to the impacts of COVID19 and the resultant increase in the quantities of wastes being produced and cost of waste treatment and disposal, this saving in the rate per tonne will not result in a budget saving but will rather bring down the increased costs and bring the Croydon back into existing budgets for these specific waste streams. A growth bid for 2022 – 23 budgets has been prepared and submitted to allow for this slight increase in annual costs for these waste streams.

The food and green waste procurement project was complex and high risk due to the shortage of local waste transfer station facilities capable of accepting food and green waste on behalf of Croydon Merton and Sutton. With limited local commercial transfer stations capable of serving the three boroughs, the Partnership faced poor competition at best, or an incomplete solution for the green and the food waste services. The worst case scenario being that the three boroughs would not receive a bid, and this risk carried an annual liability of £6m in additional food and green waste treatment costs.

### 3. KEY POINTS

- 3.1 **Current Services** - The contracts used by Croydon Council to handle, transfer and treat food and green garden wastes is held by the Royal Borough of Kingston and expires at the end of August 2022. The incumbent contractor receiving Croydon's waste, Viridor, is not in a position to extend the current contract due to the expiration of the planning permission attached to the waste transfer building, which must cease operations in December 2022. Viridor owns no suitable alternative site.
- 3.2 **SOFT MARKET TESTING** - Soft market testing indicated that there was limited commercial interest in these contracts in their current form. In particular there are limited commercial waste transfer stations in the Partnership area capable

of receiving the type and quantities of food and green waste produced by residents. In order to increase competition the project team developed proposals for the refurbishment and re-commissioning of the mothballed local authority waste transfer station at Factory Lane in Croydon. This transfer station has not been operational since 2008, and it is not in a condition currently to receive wastes. The cost of refurbishing the transfer station to make it fit for purpose was estimated using structural and electrical surveys and a desk-top modelling exercise.

- 3.3 **COMPETITION** - In order to further increase competition, the project team structured the procurement in nine separate Lots: two lots relating to the collection and treatment of wastes received at Kingston's waste transfer station ('Villiers Road'); and seven lots relating to the receipt, handling, haulage and treatment of wastes produced by residents in Croydon, Merton and Sutton. This nine Lot structure had the effect of encouraging much wider market interest in the contracts on offer, including from specialist food treatment companies and farmers, as well as the anticipated major waste multinationals.
- 3.4 **The 7 LOT PROCUREMENT STRUCTURE** - The seven Lots relating to Croydon, Merton, and Sutton were not each mutually exclusive. Instead the individual Lots proposed various different and overlapping ways of delivering the same services that the boroughs required. Consequently it was made clear in the Invitation to Tender that not all Lots could or would be awarded. The evaluation process would determine the most economically advantageous tender for each Lot, producing Winning Tenders, and the Council would subsequently determine which combination of these Winning Tenders would provide the optimal service coverage for the three Partnership boroughs. Consequently some tenders that were the Winning Tenders within their specific Lot were bound not to be awarded contracts.
- 3.5 **CROYDON RELATED LOTS** - In relation to the services required by Croydon, Merton, and Sutton, this report recommends the award of a contract to a specialist anaerobic digestion plant in Mitcham to receive up to 5,000 tonnes of food waste directly delivered by collection vehicles (**Lot 1**), with the remainder of the three boroughs' food and green garden wastes being delivered to a commercial waste transfer station (**Lots 5.1 and 5.2**). **Lots 3.1 and 3.2** are for the collection from the Kingston Council transfer station and so are for Kingston only.
- 3.6 **BENEFITS OF THE AWARD** - If approved by RK Kingston and endorsed by the Boroughs of Croydon, Merton and Sutton these contracts will provide the Partnership with a number of additional benefits, including the fuelling of some waste transport vehicles with biogas generated from food waste, haulage using vehicles accredited to FORS 'Silver' standard, and a corporate commitment to annual carbon management planning and greenhouse gas auditing.

#### 4. **CONTEXT**

- 4.1 The food and green waste project is complex and high risk due to the shortage of local waste transfer station facilities capable of accepting food and green waste on behalf of Croydon Merton and Sutton. With limited local commercial transfer stations capable of serving the three boroughs, the Partnership faced poor competition at best, or an incomplete solution for the green and the food waste services. The worst case scenario being that the three boroughs would not receive a bid, and this risk carried an annual liability of £6m in additional food and green waste treatment costs.
- 4.2 Due to the risks identified for Merton, Croydon and Sutton, a multiple lot tender was developed. The project team split the two waste streams and then designed 9 lots that would enable both the major operators in the area to bid as well as open-up this opportunity. This approach enabled the smaller AD operators to bid directly to collect and treat the food waste and allowed the farmers to bid directly for the collection and treatment of the green. This approach created a great deal of market interest and was very successful in creating competitive tension.
- 4.3 Two Lots were designed specifically for the Royal Borough of Kingston, the first for the collection haulage and treatment of green waste from the Villiers Road Waste transfer station, and the second for the collection haulage and treatment of food waste from the same waste transfer station. A further seven lots designed for Merton Croydon and Sutton.
- 4.4 It is inevitable that, as a result of the structure of this Procurement Process not all Lots would be awarded.
- 4.5 The full list of Lots included in the Invitation to Tender is set out in the table below, together with a column showing how many tenders were received for each Lot.

<b>LOTS</b>	<b>Description</b>	<b>Bids received</b>
LOT 1	Direct delivery of food waste to a treatment facility – up to 5000 tonnes only	1
LOT 2.1	Collect green waste from Factory Lane transfer station and treat the waste at the contractor's nominated treatment facility(ies)	5
LOT 2.2	Collect food waste from Factory Lane transfer station and treat the waste at the contractor's nominated treatment facility(ies)	6
LOT 3.1	Collect green waste from Villiers Road transfer station and treat the waste at the contractor's nominated treatment facility(ies)	6

LOT 3.2	Collect food waste from Villiers Road transfer station and treat the waste at the contractor's nominated treatment facility(ies)	5
LOT 4.1	Receive green waste at the contractor's nominated receipt point and haul it away for treatment at a local authority nominated facility	1
LOT 4.2	Receive food waste at the contractor's nominated receipt point and haul it away for treatment at a local authority nominated treatment facility	1
LOT 5.1	Receive green waste at the contractor's nominated receipt point and haul it away for treatment at the contractor's nominated treatment facility(ies)	1
LOT 5.2	Receive food waste at the contractor's nominated receipt point and haul it away for treatment at the contractor's nominated treatment facility(ies)	1

## 5. Instructions to Tenderers

5.1 As above, the 7 lots designed for Merton, Croydon and Sutton overlapped and not all lots could or would be awarded.

5.2 The invitation to tender sets-out and clarifies the following:

*I. The Authority reserves the right not to award any one or more Lots. Indeed it is inevitable that, as a result of the structure of this Procurement Process not all Lots will be awarded*

5.3 The combination of Lots could generate a range of potential outcomes and so the procurement documents set-out the following principles for the evaluation and the subsequent award of the Lots:

*II. The Authority will calculate the combined price and quality score for each Lot independently and will take forward the highest scoring Tender for each, resulting in one winning (highest scoring) Tender in relation to each Lot ('Winning Tender').*

*III. The Authority will consider the Winning Tenders, and determine to which it will award Lots. The Authority intends to award Lots to Winning Tenders so as to provide the optimum overall service "coverage". As noted above, the Authority is under no obligation to award any specific Lot, or any combination of Lots. However, the Authority will only award Lots to Winning Tenders.*

5.4 In addition to the above, the documents state the procurement will not award any Lot to more than one Bidder, to provide bidders with some certainty over tonnes and also to prevent an unwieldy number of contracts and contractor interfaces.

5.5 The procurement exercise used the Competitive Procedure with Negotiation, and so included an option to accept the initial tenders without negotiation.

## **6. Evaluation of Lots and the Winning Tenders**

6.1 As outlined above, the Authority (LB Kingston) evaluated the bids received for each Lot independently in order to calculate the combined price and quality score for each Lot. The resultant highest scoring Tender for each Lot resulted in one winning (highest scoring) Tender in relation to each Lot - the '**Winning Tender**'.

6.2 The Winning Tenders for each lot were as follows:

- a) **Lot 1** Direct delivery of food waste to a treatment facility – up to 5000 tonnes only. A compliant bid for Lot 1 was received and evaluated and produced the 'Lot 1 Winning Tender' from Bidder A.
- b) **Lot 2.1** Collect green waste from Factory Lane transfer station and treat the waste at the contractor's nominated treatment facility(ies). A number of compliant bids were received for Lot 2.1. The bids were evaluated and produced the 'Lot 2.1 Winning Tender' from Bidder B.
- c) **Lot 2.2** Collect food waste from Factory Lane transfer station and treat the waste at the contractor's nominated treatment facility(ies). A number of compliant bids were received for Lot 2.2, the bids were evaluated and produced the 'Lot 2.2 Winning Tender' from Bidder C.
- d) **LOT 3.1** Collect green waste from Villiers Road transfer station and treat the waste at the contractor's nominated treatment facility(ies). A number of compliant bids were received for Lot 3.1. The bids were evaluated and produced the 'Lot 3.1 Winning Tender' from Bidder B.
- e) **LOT 3.2** Collect food waste from Villiers Road transfer station and treat the waste at the contractor's nominated treatment facility(ies). A number of compliant bids were received for Lot 3.2, the bids were evaluated and produced the 'Lot 3.2 Winning Tender' from Bidder C.
- f) **LOT 4.1** Receive green waste at the contractor's nominated receipt point and haul it away for treatment at a local authority nominated facility. A compliant bid for Lot 4.1 was received and evaluated and produced the 'Lot 4.1 Winning Tender' from Bidder D.
- g) **LOT 4.2** Receive food waste at the contractor's nominated receipt point and haul it away for treatment at a local authority nominated treatment facility. A compliant bid for Lot 4.2 was received and evaluated and produced the 'Lot 4.2 Winning Tender' from Bidder D.
- h) **LOT 5.1** Receive green waste at the contractor's nominated receipt point and haul it away for treatment at the contractor's nominated treatment facility(ies). A compliant bid for Lot 5.1 was received and evaluated and produced the 'Lot 5.1 Winning Tender' from Bidder D.
- i) **LOT 5.2** Receive food waste at the contractor's nominated receipt point and haul it away for treatment at the contractor's nominated treatment facility(ies). A compliant bid for Lot 5.2 was received and evaluated and produced the 'Lot 5.2 Winning Tender' from Bidder D.

## 7. The Lots awarded/Not awarded

- 7.1 The Authority considered the combination of lots from Winning Tenders and the recommendation is to award the following lots that together when combined provide the optimum overall service coverage for the partner boroughs.

Lot	Winning Tenderer	Recommendation
Lot 1 - Direct Delivery of Food	BioCollectors	Award to BioCollectors
Lot 2.1 - Factory Lane Green Waste	CountryStyle	No Award
Lot 2.2 - Factory Lane Food waste	Olleco	No Award
Lot 3.1 - Villiers Road Green waste	CountryStyle	Award to Countrystyle
Lot 3.2 - Villiers Road Food Waste	Olleco	Award to Olleco
Lot 4.1 - Transfer and haul Green	SUEZ	No Award
Lot 4.2 - Transfer and haul Food	SUEZ	No Award
Lot 5.1 - Transfer, haul, treat Green	SUEZ	Award to SUEZ
Lot 5.2 - Transfer, haul, treat Food	SUEZ	Award to SUEZ

- 7.2 As shown above, it was inevitable that, due to the structure of this Procurement Process not all Lots would be awarded.

## 8. Proposal and Options

The following options were considered:

- i. **Option 1. Do nothing.** This option would mean that as the current contract expired the food and green garden wastes collected would have to be disposed of through the Beddington Energy from Waste facility, at a greatly increased cost, and with a very substantial reduction in the boroughs' reported recycling rates. This is not a viable option and is not recommended.
- ii. **Option 2. Bring the service in-house.** The Factory Lane transfer station offered the boroughs a viable in-house waste transfer station solution. However, none of the Partnership boroughs have access to the large specialised articulated vehicle fleets required to transport these wastes in bulk, nor do they own facilities nor have the expertise subsequently to treat the wastes at either a composting or AD facility. A completely in-house service does not provide a complete solution and so therefore to bring all the services in-house is not a viable option and is not recommended.

- iii. **Option 3. Make available an unlimited tonnage of food waste for treatment at a local anaerobic digestion facility.** Given the considerable environmental and social value benefits associated with local treatment of food waste this would be an attractive option were it not for the constraints around access to the single local site that could offer this direct-deliver service, in addition to the impact of diverting all of the Partnership's fleet through this residential area leading up to this site. The Partnership's food waste collection vehicles cannot risk delays while waiting to weigh and tip their loads, the collection schedules would be seriously disrupted. The need for the rapid turnaround of collection vehicles imposes a limit on the maximum amount of food waste that can be handled through a tightly constrained site. However this option has been partly fulfilled by offering a limited tonnage of waste for treatment through Lot 1, with the environmental and social advantages set out above.
- iv. **Option 4. Re-commission Factory Lane waste transfer station in Croydon and award Lot 2.** The reasons for not awarding this option are set-out in the report.
- v. **Option 5. Award contracts for hauling away and treating RB Kingston's food and green garden waste (Lot 3).** Kingston's access to a centrally-located, local authority controlled waste transfer station has proven to be a considerable asset during this procurement. Two competitive and competent tenders from bidders B and C to haul and treat Kingston's food and garden waste respectively were evaluated as offering the most economically advantageous solutions for Kingston, with significant environmental benefits associated with the treatments proposed. The option of awarding contracts to these bidders is recommended.
- vi. **Option 6. Award contracts for providing a waste transfer station to receive food and green garden waste from LBs Croydon, Merton, and Sutton, for subsequent treatment at facilities nominated by the Partnership (Lot 4).** This option took advantage of the fact that, while the incumbent contractor could not offer waste receipt and transfer facilities beyond 2022, they were contractually obliged to offer a price for continuing treatment services. However the prices they proposed for treating food and green garden wastes were not competitive, and so despite the receipt of a compliant competitive bid from Bidder D to provide transfer services under Lot 4, this option cannot be recommended.
- vii. **Option 7. Award contracts for providing a waste transfer station to receive food and green garden waste from LBs Croydon, Merton, and Sutton, for subsequent treatment at facilities nominated by the contractor (Lot 5).** This option is recommended for the reasons set out in the report.
- viii. **Option 8. Negotiate with tenderers.** In the event, the most economically advantageous tenders for each Lot were clear, compliant, thorough, and no significant further clarifications were required. No variant bids were

submitted. The prices offered are competitive and the project team does not consider that any advantage is likely to be gained by triggering the negotiation procedure with all 11 bidders. This option is not recommended.

## **9. CONSULTATION**

- 9.1 This procurement was covered by a statutory duty to consult the GLA/Mayor of London, as set out in the Greater London Authority Act 1999. The project team gave the requisite 108 days minimum notice to the GLA before the Contract Notice was published, and subsequently engaged in a useful dialogue with the GLA's lead officer. The GLA's Deputy Mayor for Environment and Energy wrote to Cllr Gander in December 2020 confirming that the Partnership's plans were in general conformity with the Mayor of London's Environment Strategy.
- 9.2 To achieve conformity with the Mayor's Environment Strategy the Partnership notified neighbouring boroughs of its intention to place a Contract Notice.
- 9.3 Residents in the Partnership area were previously consulted on food and green waste services during collection service redesigns and procurement exercises that were undertaken in each of the partner boroughs. As the project outcomes mirror the current kerbside collection service, there are no proposed changes that will directly impact the public, and the purpose of this procurement is to facilitate a seamless continuation of existing collection services in exactly the same form as now.

## **10. PRE-DECISION SCRUTINY**

- 10.1 This item has not as yet, gone through any formal LBC scrutiny but has gone through RBK's democratic decision making process. It has been discussed at all levels of SLWP governance prior to the creation of this paper and similar papers prepared by SLWP partner boroughs for their respective democratic decision making processes

## **11. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

### **Financial Context**

- 11.1 The council is operating in an increasingly challenging financial environment. Croydon faced a number of financial challenges in the medium to longer term - even before the COVID-19 outbreak, which has further added to these challenges. The economic and financial consequences of the pandemic, growing demand for services, and limited government grant funding make it difficult to find adequate funds to meet the borough's needs.
- 11.2 Brexit also created uncertainty and financial challenges for the waste management industry. However, the food and green waste composting industries are now reasonably well developed in the UK and so these specific

markets are less exposed to risks associated with Brexit than markets for non-organic recyclates, which are more heavily reliant on trade agreements and movement of materials around Europe.

- 11.3 The future of local government finance faces a significant level of uncertainty. The impact of the Fair Funding Review and a future review of business rates is currently unknown, and the lasting effects of COVID-19 on our residents, local businesses and the Council itself remain uncertain.
- 11.4 Despite these challenges the council has a drive and commitment to ensure it is doing the best for residents and communities and the aim of this project has been to seek the best financial solution for Croydon Council and the Partnership by going out to tender with a range of options that maximised the opportunities for service providers to submit proposals.
- 11.5 The estimated annual value of the services being procured being procured on behalf of all boroughs combined was just over £3m per annum in 20/21.
- 11.6 The reduced rates that were achieved will enable Croydon to manage their costs within existing budgets, whereas in previous years the costs exceeded the available budget provision.
- 11.7 Revenue and Capital consequences of report recommendations are shown below [in blue](#) detailing current costs of these services compared to the revised costs as a result of this procurement and contract award.

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
<b>Revenue Budget available</b>	£11,020	£11,020	£11,020	£11,020
<b>Current Expenditure:</b>	£11,639	£11,930	£12,228	£12,534
Of which Food	£489	£501	£513	£526
Of which Green	£661	£677	£694	£712
(Of which Residual)	£10,489	£10,751	£11,020	£11,295
Income - NA				
<b>Effect of decision from report</b>				
<b>Total Revised Expenditure:</b>	£11,639	£11,794	£11,911	£12,196
Of which Food	£489	£337	£191	£195
Of which Green	£661	£718	£724	£743
(Of which Residual)	£10,489	£10,739	£10,995	£11,258
Income - NA				
<b>Overall budget Forecast</b>	619	774	891	1,176

<b>Capital Budget available</b>						
Expenditure						
<b>Effect of decision from report</b>						
Expenditure NA						
<b>Remaining budget</b>						

11.8 The effect of the decision - The report presents the cost of the total waste budget, including residual waste which sits outside of this procurement but which is included in waste budgets and presented here in order to demonstrate the total waste budget picture. The result of the procurement shows that the total waste budget overspend has been reduced and work continues to ensure this overspend to the **total** waste management revenue budget is reported, managed and mitigated on an ongoing basis.

## 12. Financial Risks

12.1 **Financial Risks** - Waste treatment and disposal budgets are to some extent demand-led, in that they are in direct proportion to the tonnages of these wastes presented by each borough's residents, the costs per tonne associated with the recommended tenders are less than those being paid to the incumbent contractor. However, whilst the costs per tonne associated with the recommended tenders are less than those being paid to the incumbent contractor, due to the impacts of COVID19 and the resultant increase in the cost of waste treatment and disposal, it is likely that this saving in the rate per tonne will not result in a budget saving but will rather bring down the increased costs relating to COVID and bring the boroughs back into existing budgets.

12.2 **Contract Management** - Due to the procurement design and the necessary carve-up of the services into smaller more accessible Lots, if the recommendations made here are approved the services will now be delivered through four contracts with the Partnership, as opposed to the previous model in which a single contractor managed a number of subcontractors. This may have Contract Management resource implications to the Partnership.

12.3 **Future savings/efficiencies** can only be achieved by a reduction in waste volumes. The long-term impact of COVID will need to be monitored in order to fully understand the impact on resident behaviour and waste arisings.

## 13. Risk Assessment

13.1 The risk assessment of the current stage of the procurement is set out in the table below:

<b>Risks</b>	<b>Risk Rating</b>	<b>Mitigations</b>
Risk of Challenge	Low	The tendering exercise is compliant with PCR 2015 and the Council's Contract Regulations
Mobilisation	Low	<p>These are essential front line services, and without the right receipt points ready to receive green and food waste the collection services will be severely impacted.</p> <p>The recommended option is an existing commercial facility with minimal upgrades required in order to receive contract waste and so this risk is deemed low.</p>

Approved by: Matthew Davis, Deputy Section 151 Officer

#### **14. LEGAL CONSIDERATIONS**

- 14.1 The project team was advised by Browne Jacobson LLP and supported by the Partnership's legal lead officer.
- 14.2 This procurement has been operated pursuant to the Public Contracts Regulations 2015 (as amended) under a compliant procurement exercise on which detailed legal and specialist procurement assurance has been sought as appropriate.
- 14.3 The Council has the power and authority to enter into the contracts pursuant to (amongst other provisions) the General Power of Competence provided by the Localism Act 2011.
- 14.4 Under section 358 of the Greater London Authority Act 1999, a waste authority must give a minimum of 56 days' notice to the Mayor of London before it amends an existing waste contract or enters into a new one.
- 14.5 The partner Boroughs have substantially agreed an inter-authority agreement which regulates their respective rights and obligations pursuant to the contract.

Approved by Nigel Channer, Head of Commercial and Property Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer

#### **15. HUMAN RESOURCES IMPACT**

- 15.1 This paper and the recommendation sought has Human Resource impact to the Council. The management and monitoring requirements for this contract award will be carried out by existing resources and staff members of LBC and SLWP.

- 15.2 If new resources are required this will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place and Housing on behalf of the Director of Human Resources

## **16. EQUALITIES IMPACT**

- 16.1 The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, "have due regard to" the need to the need to comply with the three arms or aims of the general equality duty. Case law has established that you should analyse the potential effect on equality when you start to develop or review a policy, informing policy design and final decision making.
- 16.2 The Equalities Manager in the Royal Borough of Kingston where the procurement was undertaken has been consulted and was fully sighted on this procurement. The RBK Equalities Impact Assessment Form has been completed and agreed with the Equalities Manager. The advice he gave the project team was incorporated into the specification and evaluation criteria. The Equalities Impact Assessment carried out by the Royal Borough of Kinston is appended to this report as **Part A, Appendix 1**.
- 16.3 Suppliers should be encouraged to commit to the equality standards and pledges determined by the Council

Approved by Denice McCausland, Equalities Manager

## **17. ENVIRONMENTAL IMPACT**

- 17.1 The solutions recommended in this report have significant beneficial environmental implications, transforming around 70,000 tonnes of residents' waste each year into non-fossil fuel energy and products that are used in horticulture and agriculture. None of the waste processed by the successful bidders will go to landfill; even the small percentage of contaminants in the waste collected will be treated to create refuse derived fuel.
- 17.2 The use of biogas generated from food waste to power a number of local waste haulage vehicles will have a beneficial impact on local air quality. The specification and evaluation criteria incorporated the requirement that all heavy goods vehicles used by successful tenderers should be compliant with the air quality standards specified for the Mayor of London's Ultra Low Emissions Zone.
- 17.3 There are major implications for sustainability involved in decisions about how best to treat food and green garden waste. The solutions recommended in this report deliver optimal treatment outcomes for these wastes in conformity with

the Mayor of London's Environment Strategy and the recommendations from LBC's Climate Emergency Strategy and Delivery Plan.

## **18. CRIME AND DISORDER REDUCTION IMPACT**

- 18.1 Section 17 of the Crime and Disorder Act 1998 says that without prejudice to any other obligation imposed on it, it shall be the duty of the Council to exercise its various functions with due regard to the likely effect of the exercise of those functions, and the need to do all that it reasonably can to prevent crime and disorder in its area.
- 18.2 By Section 6 of the same Act the Council and its partners are required to formulate and implement a strategy for the reduction of crime and disorder in the area.
- 18.3 Therefore there are two duties. The first is to formulate and implement a crime reduction strategy. This is about crime which already exists. The second is crime and disorder prevention. Every function shall be exercised to prevent crime and disorder.
- 18.4 There are no implications for the reduction/prevention of crime and disorder resulting from the recommendation in this report.

## **19. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 19.1 It is recommended that members support the recommendations and content of this report as it ensures the continuation of existing front line waste collection services to all Croydon residents. Meets the likely future statutory requirements for the collection of food wastes and allows for the Inter Authority Agreement to be updated to reflect the requirements of this new contract with the operational and financial arrangements between SLWP partners. Approval will also provide medium and long term surety to the council for the management and treatment of these waste streams and allows for the current local, regional and national recycling targets to be maintained as a minimum but increased in future years.

## **20. DATA PROTECTION IMPLICATIONS**

- 20.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**NO**

- 20.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

**YES** - by RBK officers as part of RBK's decision making process. Assessment states that the contract does not have public users, does not include the

handling of personal or sensitive data, and does not manage or handle the transfer of any data.

The Director of Sustainable Communities comments that there are no data protection impacts arising from this report

Approved by: Steve Iles, Director of Sustainable Communities

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**CONTACT OFFICER:**

James Perkins, Head of Environment and Neighbourhood Operations.

**APPENDICES TO THIS REPORT:**

The following documents accompany this report as Appendices to Part A and also Commercially Confidential Part B Appendices:

- Part A Appendix 1 – Copy of the Equalities Impact Assessment carried out by RB Kingston as the awarding body
- Part A Appendix 2 – The SLWP Joint Waste Committee (JWC) papers relating to the creation, delivery and award of this procurement
  
- Part B Appendix 1 – Copy of Inter Authority Agreement to support the procurement and award

**BACKGROUND PAPERS:**

None.