

Finance and Resources Committee

10.00am, Thursday, 3 December 2020

Waiver Extension for Haulage of Waste to Disposal Outlets

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| Executive/routine Wards Council Commitments | Executive All 23, 24, 25 |
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1. Recommendations

- 1.1 Finance and Resources Committee are asked to:
 - 1.1.1 Note the current arrangements for the haulage of waste to disposal outlets and that the procurement of a new contract for this will be concluded shortly;
 - 1.1.2 Approve an extension to the existing waiver to enable the procurement process to be concluded and for the appropriate handover of activities to new suppliers if appropriate. The terms of the extension are set out below:
 - 1.1.2.1 If Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applies, a 13-week extension from 1 February 2021 to 1 May 2021 will be required for the current waiver to enable the appropriate transfer activities to take place; or
 - 1.1.2.2 If TUPE does not apply, an extension of four weeks will be required to conclude the award of contract to the existing suppliers.
 - 1.1.2.3 Note that £65,000 of additional costs were incurred between March and October 2020 due to increased haulage requirements resulting from the effects of the Covid-19 pandemic.
 - 1.1.3 Note the value of the 13-week extension of current waiver would be in the region of £315,000, while the value of a four week extension would be in the region of £142,000.

Paul Lawrence

Executive Director of Place

Report

Waiver Extension for Haulage of Waste to Disposal Outlets

2. Executive Summary

- 2.1 This report seeks approval for an extension to the current arrangement for the haulage of waste to disposal outlets to enable the procurement process to award a new contract for this service to be concluded. The timescale of the waiver will be dependent on completing the procurement exercise for the new award of contract. If the current contract holders are successful, the extension period would be a maximum of four weeks. However if not, then Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applies and a 13-week extension will be required.

3. Background

- 3.1 During the period March to October 2020 additional costs were incurred due to increased haulage requirements as a result of the Covid-19 pandemic. This has resulted in a shortfall of £65,000 to the current waiver.
- 3.2 The Council has a statutory obligation under Section 45 of the Environmental Protection Act 1990 to provide a collection and disposal service for domestic waste generated by residents. In addition, the Council has three Community Recycling Centres where residents can deposit recyclable and residual domestic waste.
- 3.3 Contracts for the Receipt, Handling and Transfer of waste were awarded in November 2017 using a framework of four providers: Biffa, Viridor, NWH and Enva (previously William Tracey Group). The estimated value of the framework (including one-year extension) was £2,982,714.
- 3.4 A waiver was approved in January 2020 to cover a three-month period (January-March 2020) whilst an options appraisal was conducted to ascertain if the haulage of waste using articulated trucks could be delivered by the in-house Waste and Cleansing Service.

- 3.5 The conclusion of the options appraisal was that although the haulage element could be delivered in-house at a comparable rate offered by current providers, the fleet size would be small (estimated at four articulated trucks). The risks in having such a limited fleet size is high as one truck off the road at any one time would result in a 25% reduction in haulage capacity
- 3.6 A waiver was approved by the Leadership Advisory Panel (LAP) on [31 March 2020](#) for a contract extension to Neil Williams Haulage (NWH) and Enva to continue to provide this service to the Council until 31 January 2021. This was on the basis that they submitted the lowest haulage costs and could provide greater flexibility for delivering an 'on demand' service to the Council.

4. Main report

- 4.1 Procurement of a new contract for the contract for haulage of waste to disposal outlets is underway and, at the time of writing, the procurement consensus meeting has identified a 'preferred bidder' and therefore the final stages of the process will shortly be completed
- 4.2 However, it has not been possible to conclude this process in time for the new contract to be awarded and any subsequent transfer of responsibilities to be concluded by 31 January 2021.
- 4.3 The timescale for the extension is dependent on which organisations are awarded this new contract:
- 4.3.1 Should the present incumbents be awarded the contract, a four week period will be required to put the new contract in place – the waiver extension would be from 1 February 2021 - 28 February 2021, with the new contract going live on 1 March 2021; however
- 4.3.2 If they are not awarded the contract, then TUPE could apply and therefore the transition period for the new contract to be implemented would be up to 13 weeks – the waiver extension would be from 1 February 2021 – 30 April 2021, with the new contract going live on 1 May 2021.
- 4.4 This waiver extension is requested to ensure continuity of service while the procurement of the new contract is concluded.

5. Next Steps

- 5.1 The procurement for a new contract for the haulage of waste to disposal outlets will be progressed and concluded as swiftly as possible.
- 5.2 If the recommendations are approved, contract extensions will be made to NMH and Enva for this service from 1 February 2021. The term of the extension will be determined by the conclusion of the award of the new contract.

6. Financial impact

- 6.1 The cost of extending the existing contract for a further four weeks is expected to be in the region of £142,000. If the contract is extended for 13 weeks, the estimated cost is expected to be in the region of £315, 000.
- 6.2 The cost of the extension will be met from the Council's Waste and Cleansing budget for waste disposal.

7. Stakeholder/Community Impact

- 7.1 There is no impact to existing stakeholders as a result of extending this contract.
- 7.2 There are no equalities impact arising from this contract extension.
- 7.3 The risk of successful procurement challenge is considered to be low, as the Council will be entering into a competitive tendering exercise using the Scotland Excel Dynamic Purchasing System within the extension period.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.