

Executive Decision Making by an Officer with Delegated Powers

Decision to be taken by: Wayne Lewis, Head of Waste Management, Economy, Environment and Infrastructure

Pursuant to an Authorisation from: Cabinet on 21st July 2021 (Agenda item 12, Provision of Food Waste Transfer Services)

Report title: Contract Award for Food Waste Transfer Services

<p>The decision</p>	<p>In accordance with a Cabinet decision dated 21st July 2021 (Agenda item 12, Provision of Food Waste Transfer Services):</p> <p>DECISION</p> <p>To award to Ubico Limited (a local authority owned and controlled “Teckal” company in which the council is a shareholder), without further competition, a contract for the provision of Food Waste Transfer Services. The proposed contract shall continue for an initial period of 8 years (commencing 1st November 2021) and include an option to extend its term for a further period of not more than 2 years.</p>
<p>Background documents</p>	<p>Cabinet Report: Provision of Food Waste Transfer Services, 21st July 2021 a copy of which is available here</p> <p>Cabinet Decision: Provision of Food Waste Transfer Services, 21st July 2021 a copy of which is available here</p>
<p>Reasons for the decision</p>	<p>To maintain compliance with the Council’s statutory duty under s51 of the Environmental Protection Act 1990 and to seek best value and continuous improvement in line with the council’s general duty of best value.</p>
<p>Resource implications</p>	<p>The new contract will be met within the existing waste management revenue budget. The estimated total contract value is £1.38 million</p>
<p>Who has been consulted?</p>	<p>Cabinet Member for Environment and Planning</p> <p>Officers:</p> <p>Finance Business Partner for EE&I</p> <p>Strategic Procurement Business Partner for EE&I</p>

	Human Resources Business partner for EE&I Assistant Head of Communications Legal Services
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What were their comments?

Cabinet Member for Environment and Planning – happy to proceed with the contract award in line with the Cabinet decision of 21st July 2021.

Finance Business Partner for EE&I – I can confirm that I have read the decision and am happy with the drafting and can confirm that there is existing available budget for the contract.

Strategic Procurement Business Partner for EE&I – happy to proceed with contract award on the basis this is being done via the partnership arrangement with UBICO.

Human Resources Business partner for EE&I – I can confirm that there are no specific HR comments in regard to this report.

Assistant Head of Communications – Nothing further to add.

Legal Services – On the basis of the information provided in this report, it is confirmed that the proposals set out herein meet public procurement law requirements.

Background/Context

1. All six district councils within Gloucestershire provide a weekly kerbside collection of food waste to householders. Gloucestershire County Council (the council) provides the food waste treatment facility and any necessary haulage from district depots to the treatment facility, which is located in Bishops Cleeve. In 2020/21 the service collected and treated a total of 24,400 tonnes of food waste.

2. To improve efficiency, food waste from Stroud District, Gloucester City, Cotswold District and Forest of Dean District is tipped and bulked at local council depots before being transferred to the treatment facility. This amounted to 17,000 tonnes in 2020/21. Due to the proximity of the treatment facility to Cheltenham Borough and Tewkesbury Borough, food waste from these areas is delivered directly by the borough councils' collection vehicles to the treatment facility at no additional cost to the council.

3. Food waste transfer arrangements are to be renewed in Stroud District, Gloucester City and Forest of Dean District by 1st November 2021. Current arrangements to transfer food waste from Cotswold District will continue until November 2025, after which time a two-year contract extension may be exercised under the existing agreement or a new waste transfer arrangement will be required.

4. The council is a shareholder in Ubico Ltd. This means the council may direct award the proposed contract to Ubico Limited under the Teckal exemption codified in Regulation 12 of the Public Contracts Regulations 2015, rather than procure the required services from the open market. The Teckal exemption is available to the council in view of the fact that Ubico Ltd is a local authority owned and controlled company. Ubico already provides Household

Recycling Centre (HRC) management services to the council.

5. The food waste haulage contract would be delivered at cost by Ubico. The company has provided a quotation based on service information supplied by the council's waste management team. It will provide the service without an increase to its current managerial overheads, which would be achieved by using the existing HRC and fleet management services it provides to the council. The anticipated cost of the proposed contract with Ubico Ltd would be lower than that currently paid; this may be a 20% reduction on existing costs achieved over the life of the contract.

Alternative options considered and why they were rejected

The following options were considered and rejected whilst reaching a decision to award a contract for the provision of food waste transfer services in Gloucestershire to Ubico:

1. Do Nothing – rejected as the provision of these services is a statutory obligation under the Environmental Protection Act 1990 s51. Failure to provide separate collections and treatment for food waste would mean this waste would instead be treated as residual household waste. This would not be in keeping with national or local policy on reducing residual waste and would also result in significant additional costs to the council.
2. Procure the service from the commercial market through a competitive procurement process – rejected as the quotation from Ubico is lower than that currently being paid by the council for the existing service, which is provided by a range of commercial companies. A procurement exercise would cost in the region of £25-£30k.
3. Instruct districts to deliver food waste direct to the treatment facility - This would require the council to make a 'reasonable payment' under s52 (10) of the Environmental Protection Act 1990 to the districts as a contribution to the costs they would incur. This option was rejected as it would be impractical for district councils and would increase the overall costs of the service to the point where it is likely to become unaffordable for district councils. This option would not be deliverable within the available time.

Risk Analysis

Haulage services are well established and the transfer of food waste from the collection points to the treatment facility is considered low risk. Ubico is an established vehicle operator that consistently achieves a "green" rating from the regular inspections undertaken by the Driver and Vehicle Standards Agency.

Equalities considerations

No specific impact on those with protected characteristics has been identified. The haulage operation is essentially a business to business service with very little public interface. Ubico ensures that its workforce remains cognisant of equalities impacts as part of induction, customer service training and through the regular communication of its company values.

Has an Equality Impact Assessment been completed? Yes/No

<p>Has any conflict of interest been declared by any Cabinet Member consulted on the decision?</p> <p>If any conflict of interest declared, was a dispensation granted by the Audit and Governance Committee of the Council?</p>	<p>Yes/No</p> <p>Date of dispensation:</p>
<p>Does this decision report form or any supporting papers provided contain confidential or exempt information?</p>	<p>Yes/No</p> <p><i>If Yes, please provide details of document(s) that are confidential or exempt</i></p>
<p>Does this decision need to be published on the GCC website?</p>	<p>Yes/No</p>
<p>In coming to this decision I have given due and full regard to the requirements of the Public Sector Equality Duty contained in section 149 of the Equality Act 2010 ("the Act") by reference to the law itself.</p> <p>Having fully considered all available information, I have decided to reject any alternative options and take the recommended decision(s), for the reasons set out in this report.</p> <p>Signed</p>  <p>Head of Waste Management, Economy, Environment and Infrastructure</p>	
<p>Date 25th October 2021</p>	
<p>Contact details for further information:</p> <p>Officer: Wayne Lewis</p> <p>Tel: 01452 425504</p> <p>Email: wayne.lewis@gloucestershire.gov.uk</p>	