

Date of issue: Thursday, 6 April 2023

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| <b>MEETING</b>   | <b>CABINET</b>   |  |
|  | Councillor Swindlehurst  | Leader of the Council and Cabinet Member for Council Recovery, Forward Strategy & Economic Development |
|  | Councillor Mann  | Deputy Leader and Cabinet Member for Housing & Planning  |
|  | Councillor Ajajib  | Customer Services, Procurement & Performance   |
|  | Councillor Akram   | Leisure, Culture & Community Empowerment   |
|  | Councillor Anderson  | Financial Oversight & Council Assets   |
|  | Councillor Bains   | Public Protection, Regulation & Enforcement  |
|  | Councillor Hulme   | Children's Services, Lifelong Learning & Skills  |
|  | Councillor Nazir   | Transport & The Local Environment  |
|  | Councillor Pantelic  | Social Care & Public Health  |
| <b>DATE AND TIME:</b>                                      | <b>MONDAY, 17TH APRIL, 2023 AT 6.30 PM</b>                           |  |
| <b>VENUE:</b>  | <b>COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL</b> |  |
| <b>DEMOCRATIC SERVICES OFFICER:</b><br>(for all enquiries) | <b>NICHOLAS PONTONE</b><br><b>07749 709 868</b>                      |  |

### SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

\* Item 4 was not available for publication with the rest of the agenda.

#### PART 1

| <u>AGENDA ITEM</u> | <u>REPORT TITLE</u>                         | <u>PAGE</u> | <u>WARD</u> |
|--------------------|---|-------------|-------------|
| 4.                 | Garden Waste Disposal (Composting) Contract | 1 - 4       | All         |



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**Slough Borough Council**

|                                     |   |
|-------------------------------------|---|
| <b>Report To:</b>                   | Cabinet   |
| <b>Date:</b>                        | 17 <sup>th</sup> April 2023   |
| <b>Subject:</b>                     | Garden Waste Disposal (Composting) Contract   |
| <b>Lead Member:</b>                 | Cllr Nazir, Transport & Local Environment<br>Cllr Ajaib, Customer Services, Procurement & Performance |
| <b>Chief Officer:</b>               | Richard West - Executive Director Place and Communities   |
| <b>Contact Officer:</b>             | Savio de Cruz - Associate Director Operations   |
| <b>Ward(s):</b>                     | All   |
| <b>Key Decision:</b>                | Yes   |
| <b>Exempt:</b>                      | No  |
| <b>Decision Subject to Call In:</b> | Yes   |
| <b>Appendices:</b>                  | None  |

**1. Summary and Recommendations**

- 1.1 The council's environmental services team (DSO) collect garden waste which needs to be disposed of in an environmentally friendly way. A large element of SBC's total garden waste is collected from kerbside garden waste collections. Garden waste is also brought to SBC's transfer station and household waste and recycling centre (HWRC) at the Chalvey Depot.
- 1.2 SBC's current garden waste disposal (composting) contract expires in September 2023, following a six-month extension to the contract, agreed by procurement board in January 2023. The contract does not permit further extensions and therefore the Council needs to re-procure.

**Recommendations:**

Cabinet is recommended to: -

- a) Authorise the commencement of a tender process for a contract for the disposal of garden waste (composting) to start in September 2023.
- b) Delegate authority to the Executive Director of Place and Communities, in consultation with the Executive Director of Finance and Commercial, the Lead Member for Customer Services, Procurement & Performance and the Lead Member for Transport and The Environment, to award the contract to the winning bidder and to enter into the contract.

**Reason:**

SBC’s current garden waste disposal (composting) contract expires in September 2023, following a six-month extension to the contract agreed by procurement board in January 2023.

**Commissioner Review**

*Commissioners support the need to reprocure garden waste disposal (composting).*

**2. Report**

**Introduction**

- 2.1 Waste services are governed by the Environmental Protection Act 1990 and associated regulations.
- 2.2 The council’s improvement and recovery plan includes commitments to improve recycling rates and cost savings. By increasing the percentage of waste recycled and reducing the frequency of waste collections, aligned to national standards, efficiencies have been identified going forward, including the introduction of fees for some waste management services.
- 2.3 The council’s Corporate Plan includes priorities which are supported by the decisions described in this report:
  - **A council that lives within our means, balances the budget, and delivers best value for taxpayers and service users** – the proposal in this report seeks to ensure that we are charged the best available price per tonne for garden waste disposal (composting).
- 2.4 Options considered: -

| Option | Description  |
|--------|--|
| 1      | <p><b>Option 1 – NOT RECOMMENDED:</b></p> <p>Extend the current contract. The contract does not permit further extension and therefore this would need to be via a direct award. This would not demonstrate best value or be compliant with the Council’s contract procedure rules</p> |
| 2      | <p><b>Option 2 – RECOMMENDED:</b></p> <p>Tender a contract for the disposal (composting) of garden waste for a Contract Period of 3 years with the option of two 1 year extensions, so 3 + 1 + 1</p>   |

**Background**

- 2.5 In March 2020 the council entered a 3-year contract with **Shorts Agricultural Services LTD** for the disposal (composting) of garden waste. Prior to this Shorts had been providing the same service to the Council for the previous 8 years.

- 2.6 The 3-year (2+1) disposal (composting) contract was procured in 2020 via the YPO 879 Buildings in Use DPS Lot 8 Framework. Shorts Agricultural Services Limited were the only company to submit a tender. The contract is due to expire on the 15 September 2023.
- 2.7 Re-procurement of garden waste disposal is needed to satisfy procurement law.
- 2.8 Garden waste for disposal comes from three sources, namely, household garden waste brought to the Chalvey Household Waste & Recycling Centre by residents in private cars for which we are not allowed to charge, the collection of garden waste for which we are able to make a charge for collection but not for disposal and the delivery of commercial garden waste into our Chalvey Transfer Station for which we are able to make a charge. It follows that we can mitigate increased costs by increasing some charges if needed to keep within overall budget.
- 2.9 The future cost of garden waste composting will be determined by the future cost per tonne multiplied by the future tonnage both of which are unknown at the time of writing. The tender pricing document will have a pricing matrix for tenderers to offer different prices for different volumes. This enables competitive pricing and best value as it allows tenderers to cater for volume risk.
- 2.10 If Government policy changes in the future and requires that all local authorities provide free garden waste collection then tonnages may increase and if so we would have a claim to Government for increased funding due to Government Policy change.

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.2 Depending on take up of our new chargeable green waste collection service we expect a charge of between £200,000 per year and £300,000 per year for composting of Garden Waste.
- 3.1.3 The budget for the service is £275,000 per year.
- 3.1.4 Every effort needs to be made to ensure that the council receives the very best value for money from the contract through a competitive procurement exercise.

#### **3.2 Legal implications**

- 3.2.1 The Environmental Protection Act 1990 places certain waste collection and waste disposal obligations on local authorities.
- 3.2.2 The council is permitted to charge for collection of garden waste, as opposed to providing facilities at a household refuse facility, where the disposal of garden waste produced by households must be provided free of charge.
- 3.2.3 The council has an obligation to undertake procurement activity in accordance with a) the council's constitution; and b) the Public Contracts Regulations 2015 (PCR).
- 3.2.4 The disposal (composting) of garden waste contract is a public services contract above the financial threshold (£213,477 including VAT) requiring the contract to be advertised and awarded following a compliant competitive tendering procedure under the PCR.

### 3.3 Risk Management Implications

3.3.1 The table below sets out risks associated with the proposed course of action and mitigating actions.

| Risk  | Assessment of risk   | Mitigation  | Residual Risk |
|---|--|---|---------------|
| No one bids for the contract  | Low  | Waste could still be disposed of but would go to landfill or be incinerated at extra cost                       | Low           |
| Lack of accurate data available to inform the specification for the tender leading to higher than necessary charges | High<br>The projected tonnage is uncertain as we have moved from a free of charge collection service to a chargeable one | Require bidders to price for different volumes of garden waste within a pricing mechanism which mitigates risk. | Low           |
| Extend the current contract again   | High<br>This is likely to breach public procurement rules.   | Retender the contract. The existing provider has indicated that they will submit proposals.                     | Low           |

### 3.4 Environmental Implications

3.4.1 Without the ability to dispose of garden waste at a composting facility, garden waste would be required to go to landfill or be incinerated. At present all of Slough's garden waste is recycled into agricultural and household graded compost through the windrow composting method.

### 3.5 Equality implications

3.5.1 The council's methods for the disposal of garden waste have no inequality impacts on our residents.

### 3.6 Procurement implications

3.6.1 Competitively procuring a replacement disposal (composting) of garden waste contract is fully compliant with the PCR and the council's Constitution.

### 3.7 Workforce implications

3.7.1 There are no workforce implications as a result of this report.

### 3.8 Property implications

3.8.1 There are no property implications regarding this report.

## 4. **Background Papers**

- None