

Framework Agreement for the Emergency Transfer of Waste

REF: CT0356

Period: 20 October 2012 to 19 October 2015 (with an optional extension of up to a further 12 months)

Finance and Resources Committee

25 September 2012

1 Purpose of report

- 1.1 This report seeks approval for the appointment of a Framework Agreement for the emergency transfer of waste.

2 Main report

- 2.1 The Council has a statutory obligation under the Environmental Protection Act 1990 to provide a collection and disposal service for domestic waste generated by residents. In addition, the Council is required to make available a collection and disposal service to trade, commercial and retail concerns.
- 2.2 The Council currently processes approximately 125,000 tonnes of mixed municipal solid waste per year through its Powderhall Waste Transfer Station, the majority of which goes via rail to landfill at Dunbar.
- 2.3 The Council wishes to put in place a new Framework Agreement commencing on 20 October 2012 to act as a contingency arrangement to safeguard the continuation of these functions in the event of Powderhall Waste Transfer Station becoming inoperable or inaccessible. Were this to occur, contractors appointed to the Framework Agreement would become involved in the reception, stockpiling and transport to landfill at Dunbar or any such other site as the Council nominates for municipal solid waste.
- 2.4 The Council currently has a contingency contract for the provision of these services with Viridor Waste Management Ltd and Biffa Waste Services Ltd which ends on 19 October 2012 however neither supplier was required to provide services under this arrangement.
- 2.5 The Commercial & Procurement Unit undertook a full OJEU tender exercise placing a notice on the Public Contracts Scotland portal under the Open Procedure. A price (70%): quality (30%) ratio was applied in order to select the tenders which represented best value. Further details of the relevant tender processes undertaken are contained within Appendix 1.

2.6 It was intended that the top five scoring compliant contractors would be appointed to the Framework Agreement but only two compliant bids were received. However, the user directorate are content that these two suppliers can deliver the entire specified requirement because together they offer to accept 100% of the estimated tonnage.

2.7 The evaluation resulted in the following final Framework Agreement rankings:

Ranking	Contractor	Estimated capacity
1	Viridor Waste Management Ltd	Up to 60% of the specified estimated tonnage
2	Shanks Waste Management Ltd	Up to 40% of the specified estimated tonnage

2.8 If the services provided by the Framework Agreement are required the contractor offering best value and therefore ranked first will be utilised up to their capacity. Thereafter the second ranked contractor will be utilised.

2.9 Contractors appointed to the Framework Agreement are aware:

- that the call off methodology described at paragraph 2.8 will apply;
- that the Framework Agreement will be used at the Council's sole discretion; and
- that appointment to Framework Agreement is no guarantee of business.

3 Financial implications

3.1 The Framework Agreement for the provision of these services was estimated and advertised with a total value of £0 to £10 million (for the 3 year contract period and optional 12 month extension). This figure is based on 2011/12 usage data detailed in paragraph 2.2 in the event that the Council would not be able to make use of the Powderhall Waste Transfer Station and that successful contingency framework contractors would have to process this waste.

3.2 Following the analysis of tenders the estimated total value for the Framework Agreement will be £0 to £7.05 million (for the 3 year contract period and optional 12 month extension) based on tendered prices.

3.3 The tendered prices for the Framework Agreement are in the region 28% cheaper than the current contingency arrangement prices.

4 Equalities impact

4.1 There are no equalities impacts arising from this report.

5 Environmental impact

5.1 There are no adverse environmental impacts arising from this report. The placement of this Framework Agreement will enable the Council's Contractors to deliver the Council's statutory environmental obligations should an emergency situation arise.

6 Recommendations

6.1 The Committee is requested to approve the appointment of a Framework Agreement for the Emergency Transfer of Waste to Viridor Waste Management Ltd and Shanks Waste Management Ltd.

Mark Turley
Director of Services for Communities

Appendices	Appendix 1 - Summary of Tendering and Tender Evaluation Processes
Contact/tel/Email	Paul Hamilton – 0131 469 3814 paul.hamilton@edinburgh.gov.uk
	Claudine Persaud - 0131 469 3727 - claudine.persaud@edinburgh.gov.uk
Wards affected	ALL
Single Outcome Agreement	The following National Outcomes apply: National Outcome 10 - We live in well-designed, sustainable places where we are able to access the amenities and services we need. National Outcome 14 - We reduce the local and global impact of our consumption and production.
Background Papers	N/A *

Appendix 1

Summary of tendering and tender evaluation processes

Contract	Framework Agreement for the Emergency Transfer of Waste Ref: CT0356
Contract period	3 years (with an optional extension of up to a further 12 month period)
Estimated contract value	£0 to £7.05 Million (for 3 years and including the optional 12 month extension)
Standing Orders observed	76(3) more than four tenders invited 78(2) Finance and Resources Committee will be responsible for choosing the successful tender
EC Procedure chosen	Open
Invitations to tender issued	10
Tenders returned	2
Tenders fully compliant	2
Recommended suppliers	1. Viridor Waste Management Ltd 2. Shanks Waste Management Ltd
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department.
Evaluation Team	<ul style="list-style-type: none">• Donald Gillies, Contracts Officer, Waste Services, SfC• Liam Glass, Service Manager, Refuse Collection, SfC• Stewart Holmes, Contracts Officer, Waste Services, SfC
Procurement advisor	<ul style="list-style-type: none">• Claudine Persaud, Procurement Project Manager, Corporate Governance