

Finance and Resources Committee

10.00am, Thursday, 7 March 2019

Treatment and Disposal of Waste (Street Cleaning and Mechanical Street Sweeping) – Extension to Contract

Item number	7.13
Executive/routine	Executive
Wards	All
Council Commitments	

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves a short term contract extension, via waiver, for the treatment and disposal of waste from street cleaning and mechanical street sweepings. This will ensure continuity of service provision until a new contract can be implemented via the newly established Scotland Excel (SXL) Framework for 'Recyclable and Residual Waste', which is expected to offer commercial efficiency and best value for the Council.

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Treatment and Disposal of Waste (Street Cleaning and Mechanical Street Sweeping) – Extension to Contract

2. Executive Summary

- 2.1 The existing contract with Levenseat Ltd provides services relating to treatment and disposal of waste from the Council's street cleaning and mechanical street sweeping activities. The purpose of this report is to request approval for a short term contract extension, via waiver, to ensure continuity of service until such time as a new contract is put in place via the new 'Recyclable and Residual Waste' SXL Framework. The value of this extension (inclusive of that approved by Delegated Authority to date) is £550,000. It is expected that procurement of these services via this new national framework will offer commercial efficiency and best value for the Council.

3. Background

- 3.1 A Framework was put in place in November 2013 to facilitate efficient processing of waste and improve recycling rates. This framework comprised of three Lots:
- 3.1.1 Lot 1 - Community Recycling Centre (CRC) Residual Waste;
 - 3.1.2 Lot 2 – Street Cleaning Litter; and
 - 3.1.3 Lot 3 – Mechanical Street Sweeping Waste.
- 3.2 Hamilton Waste and Recycling Ltd were awarded Lot 1 while Levenseat Ltd were awarded Lots 2 and 3.
- 3.3 The Council now has alternative arrangements in place for CRC waste however there is an ongoing requirement for the services associated with Lots 2 and 3.
- 3.4 This contract expired on 24 November 2018 and, in advance of this, it was the Council's intention to procure future provision via the newly established SXL Framework for Recyclable and Residual Waste as it is expected this national framework will offer best value and commercial efficiency in provision. The publication by SXL of this framework was slightly delayed and, as such, the Council was required to undertake a short extension to the existing contract (via Delegated Authority) to ensure continuity of provision (essential to meeting statutory duties).

4. Main report

- 4.1 The existing contract with Levenseat Ltd has provided services relating to treatment and disposal of waste from the Council's street cleaning and mechanical street sweeping activities for a number of years.
- 4.2 As part of contract planning for future provision of these services, the Council identified that a new national framework agreement was being put in place by SXL for 'Recyclable and Residual Waste'. This is considered to provide the services required, and, as a national contract, is expected to offer commercial efficiency via economies of scale and thus best value to the Council.
- 4.3 The publication for use of this national agreement was slightly delayed and, as such, the Council required to undertake a short extension to the existing Levenseat contract to allow time for this new framework to be available for use and a subsequent tender process undertaken.
- 4.4 This contract expired on 24 November 2018 and was extended initially via Delegated Authority to the date of this Committee to ensure continuity of provision (essential to meet statutory duties).
- 4.5 To ensure the Council continues to meet its statutory duties, service provision is required to continue until the tender process is complete and a new contract has been awarded via the framework.
- 4.6 The tender process is currently underway and is expected to be complete by the end of July 2019, as such this short contract extension is aligned to this timeline.
- 4.7 The proposed contract extension is based on an expected maximum value of £550,000 for the period 25 November 2018 to 31 July 2019. This will ensure continuity of service and subsequent best value moving forward. This extension is based on existing terms and conditions, with a small inflationary price allowance related to the street cleaning activity, there will be no change in price in relation to mechanical street sweeping during the period.

5. Next Steps

- 5.1 Subject to Committee approval, the services will continue to be provided by the existing provider until the ongoing tender process is complete and a new contract in place. This will ensure the Council continues to meet its statutory obligations in this regard and can benefit from expected future commercial efficiencies and best value through provision of services via the national framework.

6. Financial impact

- 6.1 The cost of this service is dependent on the level of activity and volume of waste acquired, however the estimated maximum value of this contract extension (inclusive of Delegated Authority extension to date) from 24 November 2018 to 31 July 2019) is £550,000. This will be contained within the Waste and Cleansing revenue budget.
- 6.2 As previously noted, this allows for a small inflationary price allowance related to the street cleaning activity, there will be no change in contract costing in relation to mechanical street sweeping during the period.

7. Stakeholder/Community Impact

- 7.1 The Council has a statutory obligation under Section 89 of the Environmental Protection Act 1990 to ensure that the land and roads for which it is responsible are, so far as is practicable, kept clear of litter and refuse. Should this contract not be extended the Council could fail to meet this statutory obligation.
- 7.2 Risk of challenge from other suppliers has been assessed as low as the contract extension period is short term to allow for a new tender process via the SXL national framework to be undertaken, however it cannot be excluded.
- 7.3 Contract Standing Order 9 provides an option to waive standing orders where the requirement is in the Council's best interest having regard for best value, risk, principles of procurement and the impact upon service users. The publication of the award of business along with the other factors reported will help to satisfy these requirements.
- 7.4 The Council has a statutory duty to report 'non-compliance' of procurement regulation in line with the changes brought in by the Procurement Reform Act 2014. This will be reported within the Council's annual report to the Scottish Government.
- 7.5 Any disruption to service provision would offer risk in relation to Health and Safety, statutory obligations and Council reputation.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.