



ADUR & WORTHING
COUNCILS

WBC Executive Member for Digital &
Environmental Services &
ADC Executive Member for the
Environment
29 September 2021

Decision to be taken on or after
7 October 2021

Key Decision [Yes/No]

Award of contract for disposal of commercial waste

Report by the Director for Digital, Sustainability and Resources

Executive Summary

Adur & Worthing Councils operate a commercial waste collection service within the area. Commercial waste is collected and disposed of separately from all domestic waste and is therefore disposed of at a private waste management company under contract, for processing and/or onward treatment. Commercial waste collections are an existing service highly valued by local businesses, charities and schools.

Adur & Worthing Councils' contract with Rabbit Waste Management for processing and or onward treatment of commercial waste has expired. To comply with the Public Contract Regulations 2015, transparency, and ensuring best value, a new procurement process was executed during August 2021 and tender evaluation completed during September 2021. 14 potential vendors registered interest, but only Rabbit Waste Management Ltd tendered for the contract. Their submission was deemed as acceptable to the councils after a rigorous assessment.

1. Purpose

- Following a re-tender for the disposal of Adur & Worthing Commercial Waste completed September 2021, to seek delegated responsibility to the Director for Digital, Sustainability and Resources to award a contract to Rabbit Waste Management Ltd for the disposal of or onward processing of commercial waste.
- This will allow Adur & Worthing Councils to continue offering a commercial waste collection service to over 2000 local Adur and Worthing businesses, charities and schools.

2. Recommendations

- 2.1. The Executive Members are recommended to approve the award of the contract for the disposal of commercial waste on the terms set out in this report.

3. Context

- 3.1 Adur & Worthing Councils Commercial Waste Services provides commercial waste collections for over 2,000 customers across Adur and Worthing. Many customers are local businesses, but the Service also has national contracts with customers such as McDonalds and the NHS. Both recycling and general waste collections are provided. This report concerns the procurement of, via re-tender, a commercial general waste disposal agent as the current general waste disposal contract has expired and has reached the maximum number of times that it can be extended. The contract value is circa £900k-£1m/ year).

4. Issues for consideration

- 4.1 The procurement and tender evaluation has been completed by the Business Development Manager in conjunction with Waste Operations with support from Finance, Procurement and Legal.
- 4.2 Social value requirements were included in the tender to contribute to the Council's sustainability agenda. Examples include; providing public and Council staff waste education and waste reduction initiatives.
- 4.3 Only one response to the tender was received from Rabbit Waste Management Ltd. The response was assessed to provide good value to the Councils.
- 4.4 The replacement of this contract is viewed as the only option as it is required for an ongoing essential commercial service, with an ongoing allocated budget. Using an ad-hoc service, without a contract, from one or more waste management providers is considered as risky, since the council would likely have to pay varying prices (at the gate) to dispose of waste, and be without a fixed service level agreement.
- 4.5 Procuring a fixed-term contract is recognised as the only way forward to guarantee price certainty and maintain monitored quality control.

5. Procurement and tender process

- 5.1. Disposal of Commercial and Industrial Waste contract has been procured through an open procurement process via the Council's electronic procurement portal In-tend. The procurement value exceeded the Public

Procurement threshold and therefore the opportunity was published on Find a Tender System and the National Contracts Finder. The invitation to tender was published on 21st June with a return date of 2nd August 2021.

5.2. The tender assessment process is summarised in the table below

Criteria	Weighting %
Primary and Secondary requirements	pass/fail
Contract Management	5%
Business Continuity, Service Resilience, Quality Management and Risk Management	5%
Infrastructure	5%
Operations	8%
Recruitment, Retention and Training	2%
Continuous Improvement and Performance	5%
Social Value	10%
Total Quality	40%
Price	60%
Total	100%

- 5.3. One tender from Rabbit Waste Management Ltd was received, which was compliant in mandatory and verification responses.
- 5.4. Rabbit Waste Management Ltd scored 39% out of 40% for their quality submission and 60% out of 60% for their price submission, giving a total score of 99% out of a total available 100%.
- 5.5. Financial checks have been completed for the preferred bidder which indicates that the bidder has a lower than average risk of failure, with a high likelihood of continued operations. (D&B Finance Analytics- Risk: Low)

6. Engagement and Communication

- 6.1. The Council's Procurement, Legal, Finance, Operational and Business Development teams have been engaged to scope the future contract. Waste legislation has been reviewed and the latest requirements taken into account.
- 6.2. Invitation to Tender was advertised on the Council's e-procurement system In-Tend, the central government's website Find A Tender System (FTS) and the National Contracts Finder.

7. Financial Implications

- 7.1. The annual budget for the tipping charges is £1,045,200 (Adur £307,450, Worthing £737,750). It is expected that the value of the contract will be in the region of £3.2m over 3 years which can be funded from within the existing budgets.
- 7.2. Rabbit Waste Management have offered a fixed deal at £134.50/ per tonne over three years. A fixed term offers stability and greater freedom to maintain good value for customers.

8. Legal Implications

- 8.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 8.2. Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 8.3. Section 3 (1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8.4. Section 1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.

- 8.5. When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution and with the Public Contract Regulations 2015.

Background Papers

- Adur & Worthing Councils Commercial Waste Service;
<https://www.adur-worthing.gov.uk/commercial-waste/>

Officer Contact Details

Name: Matt Marchant

Role: Business Development Manager

Telephone: 07917 267711

Email: matt.marchant@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

No community impact has been identified. However, Adur & Worthing Councils Business Development team et al will seek the best value operator to ensure that the Commercial Waste service remains competitive and good value for money for local businesses

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified. *However, to reassure members, the commercial waste contract will mandate that all current legislation relating the handling and disposal of general waste is adhered to and will be monitored, within reason, by the contract manager.*

4. Governance

Commercial Waste (the service) is strategically important for the councils as it is a major income generator. Therefore, securing a replacement waste disposal agent is essential for the continuation of this service.

Other matters considered and no issues identified.