

FALKIRK COUNCIL

Subject: REFUSE COLLECTION
Meeting: BEST VALUE FORUM
Date: 4 November 2011
Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 At its meeting on 22 June 2011, Council agreed to competitively tender the work of the refuse collection service and in tandem allow the in-house provider the opportunity to develop an improvement plan.
- 1.2 This report provides Members with an update on this matter.

2. IMPROVEMENT PLAN

- 2.1 Members are aware that an Improvement Team had been set up and that regular meetings have been taking place.
- 2.2 Since the last report was presented, the Group have met frequently and completed a Public Service Improvement Framework (PSIF) assessment. This process has identified approx 100 improvement actions, which have been categorised and prioritised.
- 2.3 Whilst a number of small actions have been progressed, the main issue relates to working patterns and beat sizes. In this respect, the Group have identified a range of working patterns which has formed the basis of consultation with the wider employee group. As a result 3 possible working patterns have been identified as potential options and further more detailed work is being undertaken to develop the beats to match the working patterns identified.
- 2.4 The full list of improvements has been made available to the wider employee group and a workplace meeting has also taken place to ensure all employees are aware of progress.
- 2.5 Members will be kept informed of progress at regular intervals as the Improvement Plan is further progressed.

3. PROCUREMENT PROCESS

- 3.1 In line with the report provided to Members in September, work has been progressing on stage one of the procurement process. This stage involves gaining an understanding of the market, defining the scope and drafting the contract specification.

The following key actions have been completed:

- A Prior Information Notice (PIN) has been posted via the Official Journal of European Union (OJEU). This alerts the market to the Council's intent to establish a contract for Waste Collection Services
- Companies interested in tendering, attended a bidders day on 23 September. Background information on the Council's current waste collection service was provided, together with a question and answer session with bidders. Trade Union representatives also attended the event.
- A pre qualification questionnaire (PQQ) has now been completed and it is planned for this to be posted via OJEU by mid-November.

3.2 The previous report advised Members of an indicative procurement timeline and advised that officers were reviewing a number of the key milestone dates and stages. A revised timeline has now been established, with the following key stages now anticipated:

1. Contract Notice and PQQ issued – November 2011
2. Specification finalised and approved – January 2012
3. Evaluation of PQQ's completed - January 2012
4. Invitation to tender issued to Companies successful via PQQ – February 2012
5. Tenders evaluated and approved – August 2012
6. Mobilisation and contract start – November 2012

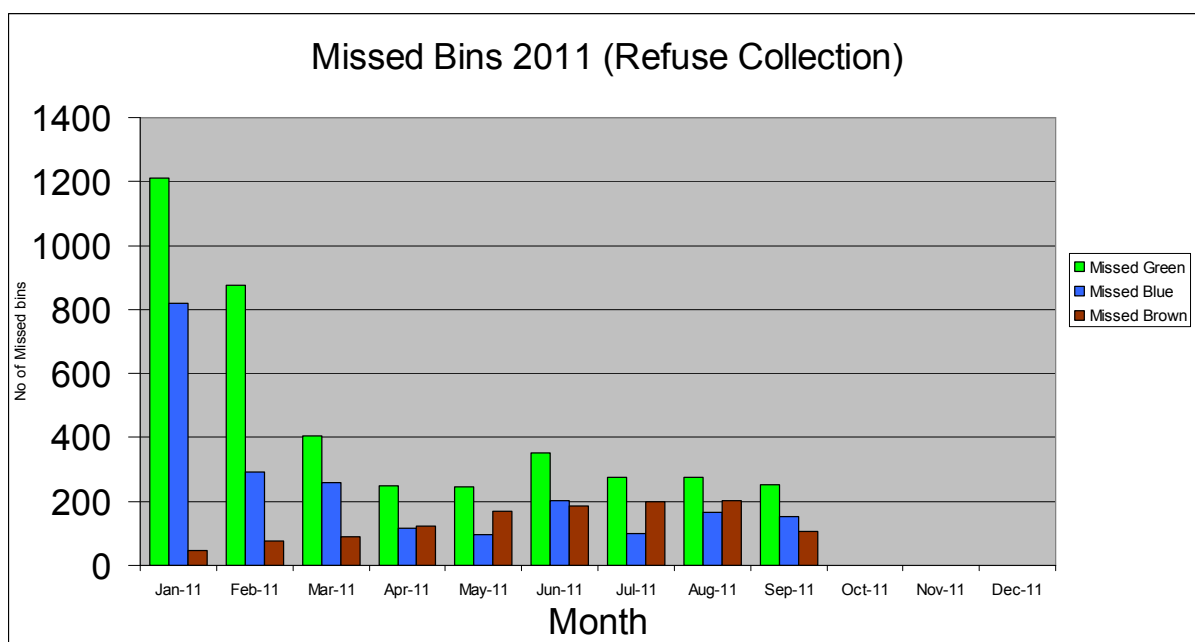
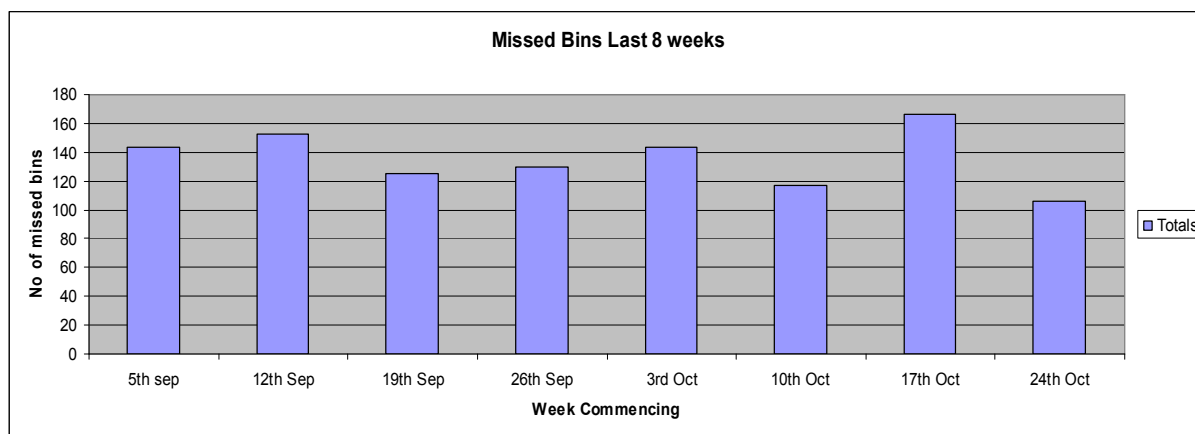
3.3 The next key stage in progressing the procurement process is the planned issue of the Contract Notice and PQQ. Members are asked to note the following aspects of the Contract Notice:

- A contract length of 7 years plus the option of a 7 year extension. The contract length is influenced by the anticipated life span of vehicles, which is a critical element of service delivery
- The scope of the current services to be included in the contract are, Domestic green, blue and brown bin collections; commercial waste collection; bulky special uplift service, with potential for future inclusion of food waste and black box collection
- Companies will be evaluated across a range of criteria including: Experience; Technical Capability; Health and Safety; Environmental Management; Quality Assurance systems and Equal Opportunities. Only those companies demonstrating the highest standards across these key areas will be considered to be invited to submit tenders. The numbers selected to tender will be between 5 and 10 depending upon the number and quality of PQQ returns received.
- Companies must also be of a very sound financial standing to be successful through the PQQ evaluation process.
- For the purpose of the contract notice an estimated annual value of the work of £5.5m will be used to calculate the total advertised value. Savings on this estimate will be expected.

3.4 Details on these matters will be reported to Members for approval. Following the issue of the Contract Notice and PQQ, the contract specification will be completed. Thereafter, a further report will be provided to Members on progress and agreement of the contract specification.

4. CURRENT OPERATIONS UPDATE

- 4.1 Generally, beats are currently being completed, with a reducing number of missed bins and complaints reported. The number of missed bins increased in week commencing 17 October due to this being the school holiday week. The following graphs provide up to date information on complaints and missed bins for refuse collection, which shows that an overall reduction is being maintained, which is positive.



- 4.2 An additional relay driver is available to crews on specific days to assist with the larger beats. In practical terms, crews are generally returning to the depot between 12 and 3pm, although some crews do begin their shift early and do not return to the depot for lunch. There is however an ongoing difficulty with the lack of team work and co-operation to assist each other or undertake additional work after completion of individual beats.
- 4.3 Absence rates remain in excess of the Council's target of 4%.

Refuse Collection Absence April to October 2011

Target Absence 5%							
	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>
Week 1	13.30%	8.74%	10.37%	5.33%	5.58%	7.87%	8.35%
Week 2	11.05%	8.36%	8.84%	7.58%	4.55%	8.09%	8.36%
Week 3	8.93%	9.08%	4.57%	8.09%	7.36%	7.36%	5.56%
Week 4	10.51%	7.83%	5.34%	7.03%	5.29%	8.36%	8.70%
Week 5		9.13%			7.32%		

- 4.4 The average monthly cost of employing agency staff to cover domestic collections is c£8,000.
- 4.5 The projected overspend for refuse collection within Corporate & Neighbourhood for this financial year is c£500k.

5. RECOMMENDATION

Members are asked to:

- 5.1 Note the content of the report and refer appropriate matters in paragraph 3.3 to Members for formal approval.

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

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