

FALKIRK COUNCIL

**Subject: CONTRACT FOR THE PROVISION OF DRY RECYCLATE
SEGREGATION AND RESALE SERVICE**
Meeting: FALKIRK COUNCIL
Date: 8 October 2008
Author: DIRECTOR OF DEVELOPMENT SERVICES

1. INTRODUCTION

- 1.1 Falkirk Council, as lead Authority for the purchasing consortium of Falkirk and Clackmannanshire Councils invited eight tenders for the provision of a dry recycle segregation service for the two Council areas.
- 1.2 The report provides Members with information on the tenders, the evaluation exercise and officers' recommendations in respect of the award of the contract.

2. CONTRACT DETAILS

- 2.1 Previous reports to the Environment and Heritage Committee have outlined the obligations upon the Council to meet the targets set out in the National Waste Plan and Area Waste Plan in addition to the requirement to stay within annual Landfill Allowances, which are determined by the Scottish Government.
- 2.2 The Council were required to tender for a facility to process the Council's blue bin material; this is to replace the existing arrangement that ends in October 2008 but can be extended for a short time until 10th November. The tender focused upon the immediate need for processing of all co-mingled dry recycle collected through the Council's current blue bin collection. The tender also allowed for tenderers to state any additional materials that could be accepted within the blue bin currently available to households. The proposed contract period is from 10th November 2008 to 9th November 2013 with the option of two, one year extensions.
- 2.3 As stated in paragraph 1.1 above Falkirk is acting as the lead authority in partnership with Clackmannanshire Council, however, due to variance in locations and the impact this has on price for the respective authorities, each Council will enter into separate contracts.

3. TENDERS RECEIVED

- 3.1 Seven tenders were received by the due date of Thursday 21st August 2008, and opened in accordance with Standing order 12 relating to contracts.
- 3.2 Seven contractors priced for provision of the service. The checked tendered prices ranged from -£192,500 to £220,000 yearly. The initial contract term is five years and therefore corresponds to a total value of -£962,500. If the contract is extended for a further two years the total value will be -£1,347,500, all assuming the best tender is accepted.

4. TENDER EVALUATION

- 4.1 Following evaluation of all tenders, the lowest tender received from Re-Gen Waste Ltd offered the best overall solution in terms of quality and price to the Council

From the detailed costs mentioned above the total amount payable to the Council will incorporate all costs associated with the processing of all co-mingled dry recycle material collected by the authority, resulting in a total income to the Council of £962,500 based on the initial five year contract term.

- 4.2 As a result of the tender exercise the Council are now in position to expand the amount of materials collected within the blue bin. In the coming months all households will be issued with information regarding the expansion of the accepted materials.

This will assist in improving our waste diversion performance.

5. IMPLICATIONS

Financial

- 5.1 There are no financial implications other than those already mentioned within the body of the report

Legal

- 5.2 There are no legal implications other than those already mentioned in the body of the report.

Policy

- 5.3 The acceptance of a tender including the expansion of the materials accepted within the blue bin is in line with the objectives of the Forth Valley Area Waste Plan and the Strategic Outline Case submitted to the Scottish Government.

Personnel

- 5.4 The current provider may wish to make an application via TUPE for a transfer of undertakings of any staff employed solely for the operation of this service contract. This will be a matter between the current provider and the new one.

6. RECOMMENDATIONS

It is recommended that Members:

- 6.1 In respect of Falkirk Council only and in accordance with Standing Order 6.2(iv), approve the acceptance of the tender submitted by Re-Gen Waste Ltd for the payment of £962,500, for the five years of the contract 10th November 2008 to 9th November 2013 with an option to further extend this contract by a further two one year extensions.
- 6.2 Note the positive impact increasing the material accepted within the blue bin will have in achieving future waste diversion targets.

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DIRECTOR OF DEVELOPMENT SERVICES

1st October 2008

Ref: DSWS1-4

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LIST OF BACKGROUND PAPERS

1 * Tender documents and tender evaluation matrix

* item not for publication on the grounds that it involves the disclosure of exempt information as defined in, paragraph 10 of part 1 of Schedule 7A of the Local Government (Scotland) Act 1973