



COUNCIL EXECUTIVE

PROCUREMENT ARRANGEMENTS – UPLIFT TREATMENT AND DISPOSAL OF RESIDUAL WASTE

REPORT BY HEAD OF FINANCE AND ESTATES

A. PURPOSE OF REPORT

To seek Council Executive approval to commence tendering procedures for the procurement of a two year and one month contract, with the potential to extend by 24 months if required, for the Uplift Treatment and Disposal of Residual Waste for West Lothian Council, to provide plant and road haulage services in respect of municipal waste from the Deans Waste Transfer Station to an appropriately licensed landfill or waste treatment site, employing the evaluation methodology and criteria detailed in Section D below.

B. RECOMMENDATION

The Council Executive is requested to approve the evaluation methodology for the above tender as set out in section D of the report.

C. SUMMARY OF IMPLICATIONS

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| I Council Values | Focusing on our customers' needs

Being honest, open and accountable

Making best use of our resources

Working in partnership |
| II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment) | Tenders will be issued, received and analysed in accordance with Standing Orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2006.

Health and Safety Criteria have been included by the Operational Services Health and Safety Advisor/ CDM based on Guidance provided by the Health and Safety Executive for waste management sites |
| III Implications for Scheme of Delegations to Officers | None. |

IV Impact on performance and performance Indicators	Waste Services Report performance indicators linked to recycling, percentage of Municipal waste and household waste recycled, percentage of material recycled at recycling centre's and cost of collection and disposal. This contract encourages variant bids to divert waste from landfill, which reduces the impact of rising landfill tax and assists in meeting targets set out in the Scottish Government's Zero Waste Plan and anticipated Zero Waste (Scotland) Regulations.
V Relevance to Single Outcome Agreement	Waste Services has two Single Outcome Agreements. "The proportion of municipal solid waste recycled and "Tonnage of Municipal solid waste to landfill".
VI Resources - (Financial, Staffing and Property)	There is a budget of £5.1m covering the uplift and disposal of residual waste to landfill.
VII Consideration at PDSP	None.
VIII Other consultations	The specification has been provided by Waste Services who will participate in the evaluation. The Corporate Finance Manager was consulted on budget implications

D. TERMS OF REPORT

Background Information

West Lothian Council is currently working to develop a long term solution for waste management in the council area to comply with the requirements of the Landfill Directive and the anticipated Zero Waste (Scotland) Regulations. The council is in the closing stages of a procurement process designed to deliver a residual waste treatment facility, which is expected to become operational during 2014.

Until then, the council will need to continue interim measures to ensure that adequate waste disposal arrangements are in place until the new facility is available.

The council intends to appoint one contractor to provide plant and road haulage services in respect of waste from the transfer station at Deans to an appropriately licensed waste management facility and up to four contractors to receive waste collected and delivered direct to contractor's treatment and / or disposal sites by the council. Variant bids reducing the amount of residual waste going to landfill by removing material by pre-treatment are encouraged.

This output specification forms part of the contract which will assist the council in implementing its Integrated Waste Management Plans, production of Biennial reports and discharging their duties under section 53(1) of the Environmental Protection Act 1990 and other relevant legislation.

This Output specification contains a statement of the council's Requirements

The council is seeking to make contractual arrangements to provide for the:-

- Provision of a loading shovel, to be based at the Deans depot
- Transportation of waste from the designated transfer station (Deans)
- Depending on the location of the disposal site(s), the council may deliver residual waste directly to the site(s)
- Treatment and / or disposal of residual municipal waste

A formal contract is currently in operation and will expire on 31 July 2012.

Procurement Issues

An Open Procedure is proposed, establishing a contract divided into two lots. Potential contractors may submit bids for one or both lots.

The lots proposed are for:

Lot 1: The council intends to appoint one contractor to provide plant and road haulage services in respect of waste from the transfer station at Deans to an appropriately licensed waste management facility.

Lot 2: The council intends to appoint up to four contractors to receive waste collected and delivered direct to contractor's treatment and / or disposal sites by the Authority. The number of contractors appointed will be dependent on the location of treatment and /or disposal sites.

It is recommended price be set no higher than 60% to allow for adequate weighting to be given to Quality of Service which have a direct impact on reducing land fill costs and helping achieve targets set out in the anticipated Scottish Government's Zero Waste (Scotland Regulations) .

On this basis the proposed evaluation criteria for each of the Lots are:

Costs / Price - 60%
 Quality of Service 40%, comprising:
 Diversion of waste from landfill: 5%
 Service Provision: 12.5%
 Health & Safety – 18%
 Management Information: 1%
 Contingency 2.5%
 Environmental Procurement: 1%

The requirement will be advertised in accordance with the European Union Directives. Invitations to tender will be issued to all interested parties.

The evaluation criteria listed are proposed following consultation with Waste Services.

The anticipated start date for the contract is 1 August 2012, for two years and one month (to tie in with the current timescales for the long term Waste Project Procurement Process), with an option to extend up to a further 24 months if needed.

Budget Implications

A budget of £5.1m exists covering the uplift and disposal of residual waste to landfill. This budget includes an allowance for landfill tax which is payable at the rate of £56 per tonne in 2011/2012, escalating at a rate of £8 per tonne per year.

The council is currently progressing the procurement of a waste treatment facility with the objective of meeting Scottish Government targets to significantly reduce landfill, whilst increasing recycling levels. As part of the procurement process, it has been assumed that the council's current budget for landfill costs will be required to fund the treatment costs associated with the waste treatment facility.

Therefore, it is proposed that any savings arising from the tender be retained to meet the costs of treating residual waste through this facility.

E. CONCLUSION

It is recommended that the Council Executive approves the application of the evaluation methodology detailed in Section D above for the tendering of the Uplift, Treatment and Disposal of Residual Waste PS1408.

F. BACKGROUND REFERENCES

A copy of the tender specification for this contract is available on request from the Corporate Procurement Unit.

Appendices/Attachments: None.

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