

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	20 January 2015
Title:	Extension to the Household Waste Recycling Centre Management Contract
Reference:	6329
Report From:	Director of Economy, Transport and Environment

Contact name: Sam Horne

Tel: 01962 832268 **Email:** sam.horne@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this paper is to secure approval for an extension to the current Household Waste Recycling Centre (HWRC) management contract in order to complete a robust procurement process that will appoint a contractor to commence on 1 April 2016.
- 1.2. In addition the paper seeks to secure an extension to the arrangements for the management of Waste Electrical and Electronic Equipment Recycling (WEEE) as part of the overall HWRC management contract.
- 1.3. This paper:
 1. sets out the details of the proposed extension to both contracts;
 2. sets out the rationale for the extension to the contracts;
 3. outlines the financial implications of the proposed extensions.

2. Contract Information

- 2.1. This arrangement is for a twelve month extension from 31 March 2015 – 31 March 2016 to the contract to manage the 24 HWRCs in Hampshire and 1 site each in Portsmouth and Southampton Cities (26 HWRCs in total). The services required include managing the acceptance of bulky household waste from the public into the specified containers for re-use, recycling, recovery and disposal. The waste types are separated into those that the contractor is responsible for (to manage in terms of haulage to its destination for reprocessing, treatment and disposal), and those that are the Authority's responsibility which are serviced through separate contract arrangements.
- 2.2. The provision of WEEE Services is to be incorporated within the Household Waste Recycling Centre Management Service and approval is sought for an extension period of (14) months from 1 February 2015 – 31 March 2016.

- 2.3. The estimated value of the contract based on the previous month's costs (subject to waste volumes and market prices) is £250,000 per month, totalling £3,000,000, with an additional £250,000 in respect of the WEEE Service.

3. Rationale for extension

- 3.1. The current HWRC management contract is due to end on the 31 January 2015 following a five year contract which has been extended in two one year periods in line with the contract term set out in the original Invitation to Tender and Contract Award notice in early 2008. This contract was procured via a restricted route and has recently been extended for two months in order to allow for completion of the current procurement process for the next contract.
- 3.2. The Current WEEE Services Contract is due to expire on 31 January 2015 and the requirement has been added to the specification of the main HWRC contract and current procurement process.
- 3.3. The County Council is currently part way through a procurement process for the next HWRC management contract through the competitive dialogue process, and has reached the end of the Invitation to Submit Outline Solutions stage of the process. In parallel with the procurement that has been undertaken, a consultation on the future of the HWRC service has been carried out to get feedback from the public on a series of options to adapt the service to existing and future budget constraints whilst maintaining the best possible level of service.
- 3.4. Following the completion of other projects that form part of the efficiencies programme, the County Council now has a much clearer understanding of progress towards savings targets for this service over the financial year 2015/16, and perhaps more importantly the requirements going forward to 2017 and beyond, when the need for flexibility will be greater, resulting in the need to future proof the contract now.
- 3.5. A key element of the procurement is an affordability limit that was set based on the budget for the service for this year. However, following further clarity regarding savings requirements across the board, this is no longer appropriate. In order to address this, it will be necessary to roll back the procurement process to the beginning of the Invitation to Submit Outline Solutions stage. This will be done following the final member decision on the future shape of the HWRC service in mid January 2015, and will mean that the procurement is running significantly behind. In order to complete the procurement and have sufficient mobilisation for the new contract, a twelve month extension is required.
- 3.6. The County Council cannot continue with the current procurement approach as set out in 4.3 above. The extension will be made on the basis that the current contractor will work with the County Council to deliver savings during 2015/16 through the Member approved service changes that were agreed at the November decision day.

4. Finance

- 4.1. The cost of the arrangement will be funded from the existing waste contracts budget and will not represent a variation from the current spend, and should indeed be reduced as initiatives to reduce cost will be implemented as part of the extension.

5. Recommendations

- 5.1. That approval be given to procure and spend for a contract of one year's duration, and up to the value of £3 Million, for the provision of the Household Waste Recycling Centre Management Service and the Waste Electrical and Electronic Equipment (WEEE) Recycling Service, and to appoint Hopkins Recycling Limited in accordance with the negotiated procedure as set out in Contract Standing Orders until 31 March 2016.
- 5.2. That the Director of Economy, Transport and Environment be given delegated authority to agree the contract terms to implement items approved as referred to at paragraph 5.1 above, in consultation with the Head of Legal Services

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	no
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- (a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- (b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- (c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The Equalities Impact Assessment can be viewed here:

[Equality Impact Assessment - HWRC Contract Extension - Dec 2014](#)

The equalities impact assessment for the extension of the HWRC Contract did not identify any medium or high impacts by any persons using the HWRC service.

2. Impact on Crime and Disorder:

2.1. The extension of the HWRC contract will not impact on crime and disorder other than ensuring provision of a service that gives a legitimate place for them to dispose of their household waste..

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

Continued provision of the HWRC service ensures that Hampshire residents can re-use, recycling, recover and dispose of their waste, reducing the amount of waste going to landfill.

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The resilience of the HWRC service to climate change is not expected to be impacted by these proposals.