

# North Somerset Council

## Report to the Executive

**Date of Meeting: 06 September 2023**

**Subject of Report: Commissioning & Procurement plan for the treatment/disposal of Garden Waste**

**Town or Parish: All**

**Officer/Member Presenting: Councillor Annemieke Waite, Executive Member for climate, waste and sustainability**

**Key Decision: Yes**

**Reason: The decision will involve expenditure in excess of £500k and affects more than 2 wards**

## Recommendations

That the commissioning and procurement plan for the treatment and disposal of garden waste be approved.

### 1. Summary of Report

- 1.1 The Council has a statutory duty to collect and arrange for the receipt and disposal of household waste and other waste arising within North Somerset. The disposal of garden waste is currently included within this arrangement.
- 1.2 In a wider piece of work supported by market experts Eunomia, it was proposed (in separate Commissioning & Procurement Plans) that the current waste contract arrangement be broken up:
  - Operation of the Waste Transfer Station and outward haulage to various treatment facilities
  - Food waste treatment
  - Garden waste treatment
  - Residual waste contingency
- 1.3 This report addresses:
  - the treatment of garden waste circa 16,000 tonnes per annum

### 2. Policy

- 2.1 This commissioning and procurement plan will support the council's wider ambition for North Somerset to provide:
  - Welcoming, safe and has clean neighbourhoods.
  - Professional, efficient, effective services

- Collaborate with partners to deliver the best outcomes.
- Embrace new and emerging technologies.
- Manage our resources and invest wisely.

- 2.2 The plan is underpinned by:
- The [Recycling and waste strategy](#)

### **3. Details**

#### **Current contract arrangements**

- 3.1 North Somerset Council (NSC) currently has a contract with Enovert Ltd for the delivery of the following services:
- Management of its Aisecombe Way Transfer Station (WTS) for residual waste and garden waste.
  - Haulage all of its waste streams to their various treatment locations.
  - Treatment of:
    - Food waste, circa 7,500 tonnes per annum (Treatment is undertaken by Biogen at their Aisecombe Way facility, under subcontract to Enovert)
    - Garden waste, circa 16,000 tonnes per annum
    - Some residual waste on a contingency basis when NSC's main residual waste treatment facility is unavailable.
- 3.2 This contract expires on 29 February 2024, with no further option for extensions.
- 3.3 In preparation for the Waste Disposal and Transfer station contract expiry, North Somerset Council commissioned Eunomia Research & Consulting Ltd to undertake market research and a desktop financial and qualitative analysis in order to shape a commissioning strategy for these services, which aligns with the authority's strategic, financial and climate objectives. Findings from Eunomia's report have been used to shape this commissioning and procurement plan, in particular the route to market and evaluation criteria.
- 3.4 The operation of the Waste Transfer Station and outward haulage to treatment facilities was awarded to NSEC in April 2023 following the submission of a detailed business case and pricing submission. This contract is due to start 1 March 2024 with preparations already underway to ensure a smooth transition.
- 3.5 Tender submissions for the treatment of Food Waste closed in April 2023, the successful contractor is due to be awarded in August 2023 with the contract due to commence on 1 March 2024.
- 3.6 The project team are now focusing on the remaining waste procurements.

#### **Treatment of garden waste**

- 3.16 Currently the council's garden waste is transported to a facility at Wingmoor located in Gloucestershire. The waste is then treated using the windrow composting treatment process. The by-product is processed to a PAS 100 certification.
- 3.17 The contract for treatment of Garden Waste is to be procured solely for NSC. However, BANES have expressed potential interest in this contract at a later date

and therefore our intention is to name BANES as an interested party at the contract advert stage.

3.18 It is not anticipated that TUPE will apply to this contract.

### **Requirement**

3.19 This contract is for the receipt and treatment of garden waste.

3.20 Previous years usage of the Enover contract estimates circa 16,000 tonnes per annum will go through this contract.

3.21 The contract term will commence on 1 March 2024.

### **Contract Structures and Values**

3.24 With the consideration of the current market, it is anticipated that the value of this contract is likely to be around c£555K for a 4-year term (£139k per annum).

3.25 It is proposed that the initial term be 4 years with the options to extend by a further 2 years.

### **Market**

3.29 Leading industry experts, Eunomia, were engaged in the project in preparation for the end of the garden contract. The team undertook market research and a desktop financial qualitative analysis, this included testing the market appetite for this type of contract and any potential complications.

3.30 In July 2023, the project team released a PIN which attracted 11 expressions of interest. Out of those, five businesses requested a meeting to further discuss the contracts.

3.30 All suppliers involved in the market engagement sessions expressed interest in delivering the Garden Waste contract.

3.32 Many innovative technologies were discussed around the treatment of garden waste, with suppliers keen to showcase their green practices which would form a key part of their quality and social value submissions. Suppliers were keen to bid and acknowledged that Bath and North East Somerset Council would be keen to join the contract at a later date.

3.31 Following the market engagement sessions it is anticipated that we should receive a competitive number of submissions and be in a position to award a contract.

## **4. Route to Market**

4.1 It is proposed to run an Open Tender process (one stage evaluation) following the Find a Tender Service (FTS) requirements. This decision is based on the research of the marketplace as outlined above with an open tender process considered the most appropriate route.

4.2 Whilst this contract is being procured for North Somerset, we intend to name BANES at the Contract Advert stage for potential future interest.

## 5. Programme

Action	Timing
Market Engagement	July 2022
Commissioning/Procurement Plan - Executive	06 September 2023
Formal FTS advert	21 September 2023
Tender advertised on the portal	September 2023
Tender Closes	November 2023
Evaluation of tenders	November 2023
Contract Award	December 2023
Contract Commences	March 2024

## 6. Governance

This Commissioning and Procurement Plan will be subject to approval by Executive.

## 7. Evaluation Criteria

It is proposed that a **50/40/10%** price/quality/Social Value split is used.

The rationale for the criteria is based on the following factors:

1. A clear minimum standard for all elements of the service will be set out in the specification which will ensure suppliers understand the requirements of the contract.
2. A scoring threshold on the quality questions will be introduced. A tenderer who fails to meet the minimum required score for those questions will have their tender submission declined. This ensures that the winning tender meets the required minimum standard of quality, including the compost product produced during the process, whilst ensuring the competitive pricing of the contract.

### Pre-qualification stage

There are a number of pass/fail requirements as part of the pre-qualification assessment, Selection Questionnaire (SQ). These include:

- Financial Viability
- Health & Safety
- Equalities & Diversity
- Insurances
- References from similar contracts

All suppliers that pass the initial pre-qualification checks will have their remaining tender evaluated for both their price and their qualitative assessment.

### Qualitative and pricing Evaluation

## **Pricing Evaluation– 50%**

For evaluating the overall price from each supplier, it is proposed to use the standard cost evaluation method, which is widely used within the Council.

The tender with the lowest total price will receive the maximum score of 100 and the prices of all other tenders will be expressed as a percentage of the maximum score.

## **Pricing Schedule**

The treatment of garden waste will be evaluated based on a price per tonne. Prices will be requested based on several tonnage ranges to allow for variable rates (an estimate on tonnages will be provided in the specification and used to calculate an annual cost). Haulage of garden waste from North Somerset will be arranged by North Somerset Environment Company (NSEC) and these costs will be included within the tendered bid.

## **Quality Assessment – 40%**

The quality evaluation criteria are proposed as:

- Part one – delivery of the service including treatment process, compliance with regulations, business continuity, capability, and capacity to deal with fluctuating volume, the quality of the compost/output materials (including contamination) and how they might be reused/sold.
- Part two – operations and management including, management of incoming deliveries, measurement and turnaround targets.
- Part three – monitoring and added value including customer care and communication, carbon management, energy generation and environmental control.

## **Social Value Evaluation – 10%**

In accordance with the Council's Social Value Policy, 10% of the overall weighting will be for bidders to propose their tangible social value commitments.

Suppliers will be asked to complete a TOMs (Themes, Outcomes & Measures) spreadsheet of commitments, a widely used social value framework. The project team on this occasion will evaluate the responses outside of the Social Value Portal. The Contract Manager will also need to manage the commitments made by the winning supplier during the term of the contract. This decision has been made based on the nature of these contracts being framework arrangements with a potential fluctuation of spend and usage.

## **Evaluation Panel**

The evaluation panel will consist of:

North Somerset Council

- Head of Environment and Safer Communities
- Project Manager
- Waste and Cleansing Contracts Manager
- Systems and Compliance Manager
- Waste Minimalisation Team Leader

With regards the pre-qualification sections of the SQ, whilst Procurement will take the lead, advice will be sought from the following officers if required:

- Health & Safety Manager
- Finance
- E & D Manager
- Climate Emergency Project Manager

The evaluation moderation session will be facilitated by a member of the Procurement team.

### **Contract Management**

Once the contract is in place, the contract will be managed by the Head of Environment and Safer Communities and the waste team. Regular meetings will be held with the winning providers to ensure compliance with the contract, the specification and the KPIs.

A Contract Management Plan will be created following award by the Strategic Procurement Lead and passed over the Contract manager to use during the term of the contract as a live document. This will include a summary of the Social Value, Quarterly performance reviews will be held between procurement and the contract lead and fed back to Place Quarterly DLT.

## **4. Consultation**

<b>Stakeholder</b>	<b>Consultation</b>
Enovert	Contract management meeting updates regarding the contract end date with no option to extend. Timescales shared for future contract tender
Local market suppliers	Soft market testing through Eunomia consultation Further engagement by Project team and colleagues from Bath and North-East Somerset with 5 suppliers to gauge interest. Timescales shared for future contract tender
Exec Member/ Climate Exec Member	Monthly briefings on project progress and discussion of risk register
TCC Scrutiny	Overview of project and key drivers

## **5. Financial Implications**

### **Costs**

The Garden waste contract is estimated to cost c£555k for a 4-year term (£139k per annum), with the option to extend for a further 2 years.

This value has been estimated based on our existing price per tonne plus an allowance for an increase based on what is happening in the market.

### **Funding**

The existing revenue budget for the garden waste disposal contract is £116k per annum. This budget is however part of a much larger budget for waste disposal and haulage.

Any costs over and above the existing revenue budget are expected to be funded through savings made elsewhere in the budget on other elements of the existing contract which are being reprocured.

There may also be a saving on haulage since the distance travelled could reduce under a new arrangement.

## **6. Legal Powers and Implications**

The collection and treatment of garden waste is not a statutory duty but is a discretionary service a council can choose to provide and to make a charge to residents, who opt in to use the service.

The procurement process will follow legislation as laid down by the PCR 2015.

## **7. Climate Change and Environmental Implications**

A Climate Emergency Risk Assessment has been produced to identify any environmental risks or opportunities. The outcome of this was that both the specification and quality section have been developed to reflect the requirement for minimal environmental impact through this project.

Suppliers will also be asked how they will mitigate negative and enable positive environmental impacts throughout the term of the contract.

Suppliers will be encouraged to provide social value commitments relating to the outcome of reducing negative and promoting positive environmental impacts.

The contract will be overseen by the Head of Environment & Safer Communities and his team, who will ensure adherence with the specification, including carbon management, sustainability, and mitigation of environment impacts.

## **8. Risk Management**

A full risk register has been produced. No significant risks have been identified, with only amber risks including:

- Lack of appetite from the market  
Mitigation: pre-tender release soft market testing with suppliers to gauge interest and use information to inform the contract specification
- Contract cost increase  
Mitigation: soft marketing testing and known implications for RPI against the current contract value, alongside future tonnage forecasting.

A copy of the full risk register is available on request.

## **9. Equality Implications**

A stage 1 EIA has been completed.

## **10. Corporate Implications**

N/a

## **11. Options Considered**

There is no option to extend the current contract with Enover. The only option is to go out to tender.

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### **Appendices:**

Climate Risk Assessment

### **Background Papers:**

Waste Strategy 2021-2030  
Eunomia Report