

To: City Executive Board

Date: 9th October 2013

Report of: Executive Director, Community Services

Title of Report: TENDER FOR WASTE COLLECTION AND ENVIRONMENTAL IMPROVEMENT SERVICES

Summary and Recommendations

Purpose of report: To seek approval to tender for Commercial Waste collections and Environmental Improvement services to a Public Body, as the potential value of the contract exceeds delegated authority levels.

Key decision? No.

Executive lead member: Councillor Ed Turner

Policy Framework: Corporate Plan

Recommendation(s):

1) That the Executive Director Community Services be authorised in conjunction with the Head of Finance to enter into an appropriate contract with the public sector body identified in the Not for Publication Annex attached hereto for the supply of various commercial waste services

2) CEB to note that in the event that the tender is successful that capital expenditure will be required to fulfil the contract, which will require an addition to the Council's Capital Programme

1. Introduction

1.1 The City Executive Board approved a report in September 2011 which set out a framework for expanding income generation through service supply to public sector bodies and charging for discretionary services.

1.2 Since that time ambitious but achievable targets for income generation have been included in the Council's Medium Term Financial Strategy.

1.3 The City Executive Board approved proposals to provide services to public sector bodies and to charge for discretionary services. Where the value did not exceed £100,000 the decision was delegated to officers.

1.4 This report seeks approval to enter into contractual relations with a specific public sector body where the potential value of the services to be provided exceeds that figure.

2.0 Proposal

2.1 Under the terms of the proposed contract, Direct Services would undertake waste and recycling collections and provide a range of services to support improvements in recycling rates and carbon reduction for the external client. These services are of a similar nature to those already provided to Council tenants and other commercial waste customers. The proposed contract as well as providing a waste collection service would utilise our expertise in helping customers to improve their recycling rates.

2.2 The total number of collection sites has yet to be fully determined, but the majority are located in and around the City.

2.3 Direct Services would not set up a separate dedicated team of operatives to run and deliver the contracted services but would take advantage of the economies of scale, workload planning and route optimisation afforded by having an existing waste services operation. At this stage it is not envisaged that any additional management resource will be necessary to service this contract. If this should become necessary then this would be subject to further discussion with the Head of Finance.

2.4 A briefing for members on the commercial opportunities and risks is set out in a separate appendix which is exempt from publication.

3.0 Legal Implications.

3.1 In entering into this arrangement, the Council is relying on the provisions of s1 Local Authorities (Goods and Services) Act 1970, as the procuring organisation qualifies as a “public body” for these purposes.

4.0 Financial Implications

4.1 The charge out rate for the work is calculated to provide a contribution to departmental overheads as a minimum. The contribution made will be monitored on a monthly basis by the Councils Trading Board.

4.2 Supply of these services would make a useful contribution to the income targets currently set in the Council’s Medium Term Financial Strategy of £290k and put us on track to meet future year targets.

5.0 Equal Opportunities Policies

5.1 All of the Council's policies such as the Oxford Living Wage and Apprenticeships will be applied to the delivery of these services and be costed into the proposal.

6.0 Conclusion

6.1 The provision of these services brings both income opportunities and some limited amount of risk. The Council's approach is to balance this by seeking to achieve a contribution to overheads and ensuring sufficient resources are deployed to mitigate risks. As the level of contribution is known for all elements of the work the risk is low. The intention is to provide a service which is good value and low risk to both the Council and the procuring organisation.

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Not for publication appendix .

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