

To: City Executive Board

Date: 27 April 2015

Report of: Executive Director for 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, Board member for Finance, Asset Management and Public Health

Policy Framework: Corporate Plan

Recommendations: That the City Executive Board:

1. Authorises the submission of a tender for the waste and recycling contract referred to in this report, and, in the event that the tender is successful, to grant delegated authority to the Executive Director, Community Services, in consultation with the Council's s151 Officer and Monitoring Officer, subject to a satisfactory contribution towards central overheads to enter into an appropriate contract for the supply of relevant waste and recycling services to the body identified in the Not for Publication Annex attached hereto.

2. Note that in the event that the tender is successful, capital expenditure will be required to fulfil the contract, for which CEB will need to make a recommendation to the Council in the sum of £55,000. In addition, there will be the need to create a Recycling Officer post, which will have a net increase of £6k per annum revenue costs, offset by income as detailed in paragraph 3.4 of the Not for Publication Appendix.

Appendix 1: External Contract, Waste and Risk (NOT FOR PUBLICATION)

Introduction

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.

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

Proposal

5. 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.
6. The total number of collection sites has yet to be fully determined, but the majority are located in and around the City.
7. 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. 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.
8. A briefing for members on the commercial opportunities and risks is set out in a separate appendix which is exempt from publication.
9. The report seeks delegated authority to the Executive Director Community Services as opposed to approval as due to the timing of the tender release and submission it will be necessary to continue work on the exact detail of the submission post the date of this report.

Legal Implications

10. In entering into this arrangement, the Council is relying on the provisions of section 1 Local Authorities (Goods and Services) Act 1970, as the procuring organisation qualifies as a "public body" for these purposes.

Financial Implications

11. 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 and reported to Members on a quarterly basis through normal budget monitoring
12. Supply of these services would make a useful contribution to the income targets currently set in the Council's Medium Term Financial Strategy of £5.2 million for 2015/16 and put us on track to meet future year targets.
13. Capital Expenditure of £55,000 for the purchase of compactors and bins would need to be incurred, as detailed in the Not for Publication Annex.
14. An additional Recycling Officer post will need to be created to meet the contract conditions. The total cost of this post is £33,500. Budget resources for some campaigns currently exist to a level of £27,500 and viring the resource to the additional post will therefore only require additional revenue expenditure of £6,000 per annum for this to be provided. This additional amount will be recovered from contract income.

Equal Opportunities Policies

15. 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.

Conclusion

16. 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.

Name and contact details of author:-

Name: Jeff Ridgley
Job title: Business Development and Fleet Manager
Service Area: Direct Services
Tel: 01865 252958 / 07711632281 e-mail: jridgley@oxford.gov.uk

Background Papers: None

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