

Report of	Record of	Date
Director (Customer and Digital) (Introduced by Executive Member (Resources))	Executive Member Decision	14 March 2023

Approval for the contract award for Trade Waste Collections from Council buildings and Markets

Is this report confidential?	No
Is this decision key?	Yes
Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards

Purpose of the Report

- To seek approval for the two-year contract award to collect waste from Chorley Council buildings including Chorley Market and Market Walk shopping centre.

Recommendations

- To approve the contract award to Kenny Waste Management, to commence 1 April 2023, following a competitive tendering exercise.

Reasons for recommendations

- At the Executive Cabinet meeting on 8 December 2022 approval for contract award was delegated to the Executive Member for Resources.

Other options considered and rejected

- To not agree the contract award would fail to comply with the Council's procurement rules and delay the implementation of the changes to waste collection.

Executive summary

- Following approval at Executive Cabinet on 8 December 2022 for the contract award procedure and evaluation criteria an open invitation to tender was advertised using the Council's procurement website, Chest.

6. Five (5) tender submissions were received and these were evaluated to determine the most economically advantageous tender.
7. Based on the evaluation of the five submissions, the bid from Kenny Waste Management is the most economically advantageous.

Corporate priorities

5. The report relates to the following corporate priorities:

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Background to the report

8. The Council is responsible for any waste it produces from its buildings and premises which includes the following sites:
 - Council offices – Town Hall & Union Street
 - Astley Hall complex
 - Community Centres (6)
 - Chorley Markets
 - Market Walk shopping centre, Phase 1 & 2
 - Strawberry Fields Digital Office Park
 - Leisure Centres (3) and Westway Sports facility, on behalf of Chorley Leisure
9. The Council has a duty of care to ensure the waste is collected regularly and disposed of legally. The waste is classed as commercial, or trade waste.
10. The current contract ends on 31 March 2023.
11. The three leisure centres along with the new Westway sports facility site that are now operated by Chorley Leisure, are included in the contract specification but the service costs for these sites will be recharged to Chorley Leisure.

Specification and Evaluation

12. Tender documents were published on the Chest through an open invitation. The contract period is for two years to start 1 April 2023 and end 31 March 2025.
13. Five tender submissions were received, and these were evaluated on a ratio of 70% cost, 15% quality, and 15% social value. The latter is a required under the Council's Social Value Policy for contracts with a value of £100,000 or more.
14. The quality criteria included supplier's methodology for providing the service, case studies from similar contracts, and details of the suppliers activities that support the Councils' green agenda and net-zero carbon commitments.

Table 1 – results of the tender evaluation

Order	Supplier	Cost Score %	Quality Score %	Social Value Score %	Total %
1	Kenny Waste Management	70.00	12	10.51	92.51
2	Bagnall & Morris	61.44	13	9.31	83.75
3	Suez	60.31	11	4.60	75.91
4	J Dickinson	49.91	8	11.25	69.16
5	Biffa	45.98	11	6.04	63.02

15. Based on the evaluation of the five submissions, the bid from Kenny Waste Management is the most economically advantageous. This means a change from the incumbent service provider, Suez.
16. The estimated total cost for the two year contract is £139,910. This is accommodated for within the council's base budget for the same period.
17. Costs will be charged to the relevant team budgets. Costs for the leisure facilities will be recharged to Chorley Leisure.
18. With respect to Social Value, the tender bid from Kenny Waste Management includes the following:
 - an accredited Living Wage Employer and member of the Real Living Wage Foundation; 100% of staff and paid work placements are paid at least the Real Living Wage.
 - KWM are a Social Enterprise, its mission is to offer long-term jobs, training and qualifications to the most disadvantaged.
 - Four half-day sessions with local schools. KWM have extensive experience of working with schools in partnership with GMCA Careers & Enterprise service. For this contract they will establish contact with the Lancashire Careers & Enterprise service to identify key local schools and colleges at key stages 3, 4 and 5 who have lower attainment against the careers advice & guidance Gatsby Benchmarks. Sessions will raise awareness of careers in the Waste Management sector (e.g. Green Careers events, Apprenticeship opportunities) as well as identifying opportunities to deliver curriculum-focused sessions around the environment, recycling, and the net carbon zero agenda.

Climate change and air quality

19. To support the council's climate goals and commitment to becoming a carbon net zero organisation by 2030, the quality evaluation invited tenderers to demonstrate how they will minimise their impact on the environment in respect of the service, including:

- efficiency and sustainability of vehicle fleet operations, including any measures to decarbonise fleet
- measures to minimise or offset carbon emissions
- ensure all segregated recyclable waste is fully recycled
- measures to maximise the recovery of value from non-recyclable waste

20. The bid from Kenny Waste Management has offered the following activities during the contract period:

- low emission Euro 6 compliant engines in fleet vehicles
- route optimisation to minimise miles travelled and fuel use
- driver training including the FORS LoCity Driving course which focuses on driving styles like the avoidance of harsh braking, heavy acceleration along with engine idling and emissions
- diverting in excess of 99% of waste from landfill to minimise carbon emissions
- exploring viable options for Electric/Hybrid/Hydrogen powered vehicles and plant along with Solar Technology to produce sustainable energy
- offset carbon emissions by working in partnership with the Woodland Trust on tree planting schemes
- working in partnership with The University of Manchester and The Low Carbon Sector to transform Kenny's waste identification and waste reporting process.

Equality and diversity

21. There are no equality and diversity implications.

Risk

22. Risk has been managed through the procurement exercise, the use of detailed contract requirements and robust assessment criteria.

23. A new service provider will be required to mobilise their service prior to contract start date, which will be managed through a pre-contract mobilisation meeting and close liaison with the relevant officers.

24. Regular contract management meetings will identify and mitigate any service-related risks.

Comments of the Statutory Finance Officer

25. The estimated contract cost for 2 years in point 16 is in line with the budget set for 23/24 and 24/25 at £69,800 per year.

Comments of the Monitoring Officer

26. The procurement exercise undertaken is appropriate for this contract and compliant with legislative and constitutional requirements.

Background documents

Executive Cabinet report on Approval for the Contract Award Procedure and Evaluation Criteria for Trade Waste Collections from Council Buildings and Markets, Thursday 8 December 2022.

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Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.

Peter Wilson

Councillor Peter Wilson
Executive Member for Resources

Dated 10/03/23

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.