

MUNICIPAL YEAR 2018/2019 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Executive Director - Place

Agenda – Part: 1

KD Num: KD4810

Subject: Award Contract for the Purchase of Food Recycling Collection Vehicles

Wards: All

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1. EXECUTIVE SUMMARY

- 1.1 It is proposed that 9 new food recycling vehicles are procured to support the implementation of the new waste and recycling collection arrangements.
- 1.2 It is proposed that the specialist food recycling vehicles are procured by Direct Award from LOT 2 (Vehicle Conversions up to 44 tonne specialist Vehicles) of the NEPO HGV and Specialist Vehicles Procurement Framework (Framework), using the electronic portals to comply with procurement legislation. This will ensure maximum savings on vehicle purchase through their discount structures. TPPL has confirmed that this approach is acceptable under the Framework.
- 1.3 Refer to Part 2 of the report
- 1.4 As with all fleet vehicles the Council purchases vehicles through corporate capital investment and leases the vehicles to the service area. The cost of procuring the vehicles and the internal lease recharge have been taken into account as part of the changes to Waste and Recycling Collections approved cabinet report.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 The Executive Director of Place (in consultation with the Cabinet Member for Environment) approves the award of the contract (in the accordance with the Council's procurement rules) for nine food recycling vehicles

3. BACKGROUND

- 3.1 Since 2010 Enfield Council has had to save £178 million because of Government spending cuts and increasing pressure on services.
- 3.2 Ongoing funding reductions and unfunded inflationary and demographic cost pressures means £18 million of savings or increase income is required in 2019/20 and about £12 million further savings for the following year 2020/21.
- 3.3 A decision was taken at February Cabinet to change the way the London Borough of Enfield (LBE) collects waste and recycling.
- 3.4 The new collection arrangements for kerbside properties with a wheeled bin will be:
- Collect refuse every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for dry recycling)
 - Collect dry recycling every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for refuse)
 - A new service of a weekly separate food waste collection
 - Introduce a £65 per year charge to collect garden waste fortnightly from households that opt into the scheme (additional bins per property will be charged at £65 per year)
- 3.5 When fully implemented the new arrangements will generate an annual gross saving of around £2.8 million, with a net saving of around £2 million every year thereafter and a projected recycling rate of 49%. The net saving takes into account a growth investment of £500k per year into the street cleaning and fly tipping services, £100k annual communication budget, 4 new permanent posts (2 recycling officers and 2 enforcement officers).
- 3.6 The new weekly food waste recycling collections is an integral part of the new collection arrangements and requires 9 new specialist (12 tonne) vehicles.

Proposal

- 3.7 LBE is a member of The Procurement Partnership (TPPL) NEPO HGV and Specialist Vehicles Procurement Framework (Framework). The tendering exercise for this framework was undertaken by The Procurement Partnership Ltd (TPPL) in partnership with the North East Procurement Organisation (NEPO).
- 3.8 The framework agreement runs for 48 months until November 2021. It provides access to 54 suppliers (a mix of Original Equipment manufacturers, specialist vehicle converters and contract hire providers). The relevant Official Journal of the European Union (OJEU) notices are Contract Notice 2017/S 174-355957 and Award Notice 2017/S 220-457011.
- 3.9 Local Authorities that are members of the Framework can award directly to the highest ranked supplier under the relevant Lot of the Framework that the members' requirement falls under.

- 3.10 It is proposed that the specialist food recycling vehicles are procured by Direct Award from LOT 2 (Vehicle Conversions up to 44 tonne specialist Vehicles) of the Framework, using the electronic portals to comply with procurement legislation. TPPL has confirmed that this approach is acceptable under this Framework.
- 3.11 There are 26 suppliers on Lot 2. Market testing showed that there are only 4 potential suppliers that could provide food recycling vehicles.
- 3.12 Refer to Part 2 of the report.
- 3.13 The Council purchases fleet vehicles through corporate capital investment and leases the vehicles to the service area. The cost of procuring the vehicles and the internal lease recharge have been taken into account as part of the net £2 million project savings modelled for the new waste and recycling collection arrangements.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Using the existing fleet is not an option as there is not enough spare capacity amongst the current Refuse Collection Vehicles (RCV) to operate a food recycling collection service for around 87,000 properties.
- 4.2 Food recycling is a wet material and therefore specialist vehicles reduce the risk of leakage and are generally more suited for collecting food recycling compared to an RCV. RCV's are also more expensive compared to the smaller specialist vehicle. Larger specialist vehicles at 15 tonnes were considered but deemed less suitable because of extra chassis width which potentially creates vehicle access issues, and increased a cab access height which makes them inconvenient for crews on multi collection work
- 4.3 Hiring vehicles was considered however market testing showed that there is a limited market of supply and hiring vehicles would come at an inflated cost compared to direct purchase.
- 4.4 A full competitive tender process was considered compared to using a framework. Suppliers on the Framework have undergone an extensive OJEU procurement process and the proposed supplier is the highest ranked on the Framework. There are also limited suppliers for specialist food waste vehicles. Therefore, using the Framework demonstrates value for money.
- 4.5 Using alternative frameworks such as Crown Commercial Services was also considered, however these are a more general framework with suppliers not ranked and therefore would require an additional tendering exercise. By using TPPL, due to the structure, the suppliers are ranked which demonstrates value for money. This has been confirmed by TPPL as an acceptable approach and comes at no additional cost compared with alternative frameworks.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Additional vehicles are required to implement a new weekly collection of food recycling which is an integral part of the new collection arrangements.

- 5.2 The new vehicles will also be fully compliant with all the current and forthcoming vehicle standards requirements and also be fully compliant with the latest emissions regulations.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 As agreed in the approved cabinet report this report is proposing that 9 new food recycling vehicles are procured to support the implementation of the new waste and recycling collection arrangements.
- 6.1.2 It is proposed that the specialist food recycling vehicles are procured by Direct Award from LOT 2 (Vehicle Conversions up to 44 tonne specialist Vehicles) of the NEPO HGV and Specialist Vehicles Procurement Framework (Framework), using the electronic portals to comply with procurement legislation. TPPL has confirmed that this approach is acceptable under the Framework.
- 6.1.3 Refer to Part 2 of the report.
- 6.1.4 The cost of procuring the vehicles and the internal lease recharge have been taken into account as part of the Changes to Waste and Recycling Collections approved cabinet report.
- 6.1.5 Refer to Part 2 of the report

6.2 Legal Implications

- 6.2.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.
- 6.2.2 Under Section 111 of the Local Government Act 1972 local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions.
- 6.2.3 The services are above the threshold (currently £181,302) where the Public Contracts Regulations 2015 (the Regulations) require a European tendering exercise. The use of Framework Agreements is a permitted form of procurement under the Regulations (see Regulation 33). In order for a Contracting Authority to utilise a Framework Agreement it must be identified in the procurement documents either by name or as a member of a class which is eligible to use the Framework Agreement. The service has confirmed that the Council is eligible to use the NEPO HGV and Specialist Vehicles Procurement Framework Agreement. The rules governing Framework Agreements allow for awards of contract to be made either by direct award or by mini competition. An award may be made without reopening competition where all the terms and conditions governing the supply are set out in the Framework Agreement.

- 6.2.4 The Council needs to obtain Best Value as provided for under the Local Government Act 1999.
- 6.2.5 The award of the contract is a Key Decision as it involves expenditure of more than £250,000 so it is necessary for the Council to follow its governance process in respect of Key Decisions (see CPR 1.22.4).
- 6.2.6 The Director has power to award the contract under CPR 1.2 (Authority to Award).

6.3 Property Implications

There are no property implications associated with this report. Existing fleet accommodation arrangements at the depot at Morson Road remain unchanged.

6.4 Procurement Implications

- 6.4.1 Any procurement must be undertaken in accordance with the Council's Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.4.2 In utilising the framework agreement, it is essential that the procurement follows the framework process to remain compliant.
- 6.4.3 Any procurement, award and future management of contracts must be managed through the London Tenders Portal.

7 KEY RISKS

New food vehicles will enable the implementation of a new weekly food recycling service. This will ensure that LBE fulfils its commitments to budget savings and obligations outlined within The Mayor's London Environment Strategy and that the delivery model is sustainable for the future.

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

There has been consultation with all departments, managers and directors surrounding this procurement including the procurement team and legal and all are in agreement with this approach.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good homes in well-connected neighbourhoods

Introducing a new food recycling service as part of the new waste and recycling collection arrangements can contribute to our Corporate Plan outcomes to create and sustain thriving, affordable neighbourhoods by ensuring services are maintained at a level that can meet evidenced need in

the borough whilst contributing to savings targets. The ability to maintain a high standard of waste and recycling collections to households and preserve the public realm will help continue and enhance the position of LBE as a place to invest and as a great place to live. If implemented and managed correctly, the reconfiguration of services should assist with longer term transformational goals and strategic outcomes for the borough adding value to housing, regeneration and inward investment opportunities.

9.2 Sustain strong and healthy communities

Introducing a new food recycling service as part of the new waste and recycling collection arrangements can contribute positively to our strategic goals of making LBE a healthier and greener place by providing services that can allow people to take greater responsibility for how they manage their waste and encourage recycling, composting and assist with meeting our ambitions for a clean green environment as stated in our Corporate Plan. The new arrangements can also be able to contribute to wider, identified public health outcomes by contributing to the creation of conditions in the borough where healthy lifestyle and healthy living can be set in the correct context. Introducing new separate food waste recycling ensures that LBE fulfils its obligations outlined within The Mayor's London Environment Strategy and that the delivery model is sustainable for the future.

9.3 Build our local economy to create a thriving place

Introducing a new food recycling service as part of the new waste and recycling collection arrangements will allow us to work ever more closely with our local business customers to help underpin a strong, ongoing response that can help deliver a strong and competitive local economy and vibrant town centres that benefit all residents. The knowledge that a new, sustainably costed model is in place that can still deliver a level of service that is of the highest standard should contribute to business confidence. The successful implementation of the new collection arrangements can also influence our emerging town centre plans and help create context for our new Local Plan. This should also help us approach the delivery of other aspects of environmental works with greater confidence as we know a fundamental tenet of how we manage the environment has been secured. This should benefit our ambitions as expressed in our Corporate Plan and our ambition to preserve heritage, maintain the quality of our parks and green space and contribute to the delivery of an Enfield that is a place to enjoy from childhood to old age.

10. EQUALITIES IMPACT IMPLICATIONS

A screening for equality implications has been completed and found that there is no need for further equality analysis of the decision to purchase the vehicles.

11. PERFORMANCE AND DATA IMPLICATIONS

- 11.1 Recycling Performance will continue to be monitored through quarterly statutory returns and submissions to Waste Data Flow which will allow the Council to assess any positive or negative impact of the change in delivery model in terms of performance. These measures are built into DMT and EMT scorecards to allow constant overview and scrutiny.
- 11.2 The remit of the project delivery board and strategic board will be to regularly monitor the performance and costs reductions delivered by the changes. This in turn will feed into the wider corporate performance monitoring process.
- 11.3 The collection and recording of this data allows benchmarking with neighbouring or statistically similar boroughs to take place.

12. HEALTH AND SAFETY IMPLICATIONS

- 12.1 In accordance with its legal duties as an employer under the Health and Safety at Work etc Act 1974 and other relevant legislation, the Waste Service has risk assessments, control measures and safe methods of working in place to ensure the safety of its employees and the public. As part of the implementation of the proposed service changes, these risk assessments, controls and safe methods of work will be reviewed, revised where needed and implemented to reflect any new risks that are identified.
- 12.2 All the new vehicles and have been designed to meet and go beyond all health and safety aspects surrounding the operation of such vehicles. In addition, we are fully compliant with the forthcoming CLOCS and WRRR regulations. The vehicles meet all current H&S and EU regulations. All drivers will have induction training and all workshop technicians will have full training on maintenance and operation of the equipment.

13. HR IMPLICATIONS

All staff will be fully trained. All drivers will have induction training and all workshop technicians will have full training on maintenance and operation of the equipment.

14. PUBLIC HEALTH IMPLICATIONS

- 14.1 The new vehicles will be to the latest emission standards (Euro 6) and will comply with the new Transport for London Emissions standards that come into force in 2019 promoting the clean air for the residents of all London Boroughs. This combines with better fuel efficiency which again reduces pollution and improves air quality.
- 14.2 All vehicles are fitted to 360 degree live CCTV, enabling drives to see all road users. Additionally, they are fitted with left turn audible warnings, enclosed side panels, and side scan alert systems to protect all vulnerable road users.

These systems are fitted to all Council vehicles above 7.5t and enable us to be fully compliant with CLOCS & WRRR regulations as well as the Mayor of London's Direct Vision Standards.

- 14.3 It is estimated that some 250,000 tonnes of edible food is wasted each year in the UK, equivalent to approximately 650 million meals. The ecological and economic consequences of this are immense; climate change has been described as the greatest threat to the health of the public in the 21st century. All efforts to reduce or recycle this waste are welcomed.

Background Papers

None