
NORTH AYRSHIRE COUNCIL

20 February 2018

Cabinet

Title: Award of Contract - Tender for Interim Residual Waste Management Contract

Purpose: To advise Cabinet of the outcome of the tender for Interim Residual Waste Management Services and to seek approval to award the contract to Barr Environmental Ltd.

Recommendation: That Cabinet (1) notes the outcome of the tender process and (2) agrees to the award of contract to Barr Environmental Ltd.

1. Executive Summary

- 1.1 North Ayrshire Council requires to establish a new interim residual waste contract to cover the period from 2 April 2018 up to migration to the Clyde Valley Residual Waste Partnership contract commencing on 1 December 2019.
- 1.2 In order to comply with the Council's Standing Orders Relating to Contracts and Contract Procedure Rules and Public Contracts (Scotland) Regulations 2015 a formal tender exercise was advertised via the Public Contracts Scotland advertising portal and OJEU.
- 1.3 It is proposed that the contract is awarded to Barr Environmental Ltd

2. Background

- 2.1 Residual waste is currently disposed of at the Council's landfill site at Shewalton, Irvine. The site is split into 5 cells which are constructed to receive waste and capped as each becomes full. Cells 1 to 4 are already full and have been capped. Cell 5 was constructed as three mini-cells, and the final available Cell 5C is currently receiving waste. The site will stop accepting residual waste for disposal on 30 March 2018, following which it will be necessary to restore the site in accordance with SEPA's regulatory requirements.
- 2.2. A 25-year residual waste (non-recyclable) treatment contract was previously procured by the Clyde Valley Residual Waste Partnership, where the Council worked with 4 other Councils to achieve better value for money. The new partnership contract will involve the waste being bulked up at the Council's waste transfer station, prior to being transported to a new Viridor Waste Management recycling facility in Bargeddie, North Lanarkshire, for primary processing.
- 2.3. From 1st December 2019, through the Clyde Valley Residual Waste Partnership contract, the Shewalton transfer station will be used as our main delivery point for residual (non-recyclable) waste. Viridor Waste Management will operate part of the facility to consolidate and transport the waste for further processing to recover recyclables, prior to thermally treating it to recover energy and heat, whilst producing renewable energy.

- 2.4. Prior to commencement of the Clyde Valley Residual Waste Partnership contract a short-term contract for the treatment, recovery and disposal of residual waste will need to be procured for commencement on 2 April 2018. The short-term contract will then operate until the Clyde Valley contract commences in 2019.
- 2.5 The interim arrangement to bridge the period required a tender above EU thresholds.
- 2.6 A Prior Information Notice was issued on 8th August 2017 to gauge market interest and a bidders' information day was subsequently held at Greenwood Conference Centre on 2nd October 2017.
- 2.7. A formal contract notice was advertised on 15th November 2017 under the Open procedure in the Official Journal of the European Union and Public Contracts Scotland and the procurement exercise was carried out via the PCS-Tender E-Tendering System.
- 2.8 The return time and date for completed Invitations to Tender was 18th December 2017.
- 2.9. The contract notice attracted fourteen expressions of interest from a range of potential suppliers of which three submitted Tender Submissions
- 2.10. Following the evaluation process the most economically advantageous tender was determined to be from Barr Environmental Ltd.

3. Proposals

- 3.1 It is proposed that the Cabinet agrees to Corporate Procurement and the service awarding the contract for interim residual waste management requirements to Barr Environmental Ltd at a maximum total cost of £5,218,102.70 for the period from 1 April 2018 until the Clyde Valley Residual Waste Partnership Contract commences in December 2019.

4. Implications

Financial:	<p>The estimated value of the Interim Residual Waste Management Contract for the maximum duration of the contract is £5,218,102.70.</p> <p>The Council will also directly incur additional estimated transport costs of £132,981.07 due to the location of the alternative delivery point (Southhook, Kilmarnock) proposed by Barr Environmental Ltd.</p> <p>Current Budget for 18/19 and 19/20 is £3,236,952 per annum giving a total budget of £6,473,904 over the 2 year period. The estimated cost of waste disposal during this period including both the interim contract and the Clyde Valley waste contract is £7,507,292. A budget pressure has been submitted, as part of the budget setting process, for the additional £1,033,388 cost.</p>
Human Resources:	<p>It is anticipated that one employee currently employed at the Council's landfill site operation may be impacted when the new arrangements are introduced.</p> <p>Barr have acknowledged their contract obligations relating to TUPE. Their HR department will engage with the Council when the contract is awarded and the employee would be integrated into the daily operation of the alternative delivery point based at Southhook, Kilmarnock.</p>

Legal:	Compliance with applicable Public Procurement Legislation.
Equality:	None
Children and Young People:	None
Environmental & Sustainability:	<p>The contract aligns with the Zero Waste Strategy and will have a positive impact upon the environment in the following ways:</p> <ul style="list-style-type: none"> • Reduction in the amount of waste disposed of at landfill; • Increase in recycling of materials reducing the need to access virgin materials; and • Creating renewable energy from waste, which will reduce the reliance on fossil fuels for producing energy. • The implementation of the Interim Residual Waste Management Contract will assist in the achievement of statutory targets in respect of recycling and landfill diversion.
Key Priorities:	Effective procurement practices support the Council Plan. The interim Residual Waste Management Contract supports the key priority - Protecting and enhancing the environment for future generations. The contract aligns with the Zero Waste Strategy 2018 - 2022
Community Benefits:	<p>The successful tenderer will deliver the following community benefits during the contract period:</p> <ul style="list-style-type: none"> • Support for a school project. • Support for a community project.

5. Consultation

5.1 A prior indicative notice (PIN) was published to consider developments in the marketplace and a market information and consultation session was held in Greenwood on Monday 2 October 2017 to discuss available options with interested parties.

5.2 The feedback received help to shape the strategy and the tender process.



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For further information please contact **Maurice McTeague** on **01294 324015**.

Background Papers

Appendix 1 – Tender Outcome Report