

COMMITTEE:	CABINET
DATE:	2 October 2002
SUBJECT:	Cleansing Contracts
REPORT OF:	Director of Planning, Regeneration and Amenities
Ward(s):	All
Purpose:	To advise Members on progress with the procurement of the Council's Refuse Collection and Street Cleansing Contracts; Public Conveniences Cleansing and Attendant Services Contract; and Dog Litter Bins and Associated Signs Contract which are to commence on the 1 April 2003.
Contact:	Mark Probyn, Head of Amenities, Telephone 01323 415240 or internally on extension 5240.
Recommendations:	<p>That the Cabinet</p> <p>(a) notes progress with the procurement of the Council's Refuse Collection and Street Cleansing Contracts; Public Conveniences Cleansing and Attendant Services Contract; and Dog Litter Bins and Associated Signs Contract;</p> <p>(b) agrees that subject to satisfactory negotiations with the current Contractor for the Dog Litter Bins and Associated Signs Contract that the current Contract may be extended for a period of two years, should a more favourable tender not be received for this Contract through the procurement process referred to in (a);</p> <p>(c) agrees that the Council's Refuse Collection Contract and Street Cleansing Contract should be let to one Contractor;</p> <p>(d) agrees subject to receiving an acceptable tender for the Refuse</p>

(g) agrees that commensurate with the introduction of the wheeled bin service and recycling box service that the collection of 'side waste' will be actively discouraged;

(h) agrees subject to receiving an acceptable tender the collection of mixed glass, paper including news print and magazines, cans, and that these materials are set aside for disposal by the Contractor and/or Disposal Authority;

(i) notes that by introducing a wheeled bin service and recycling box collection service that although subject to sustained motivation of the service this will improve the Council's recycling rate significantly this will not enable the Council to fully meet the Statutory Performance Indicators set for the Council, without further investment at a later date;

(j) requires the Director of Planning, Regeneration and Amenities to prepare a 10 Year Waste Strategy for the Council which is to be received by Cabinet no later than March 2003; and

(k) requires the Director of Planning, Regeneration and Amenities to advise the Director of Transport and Environment, East Sussex County Council (ESCC) of the Council's intention to improve its recycling service in order that the Director may inform the current process for the letting of the Integrated Waste Management Services Contract to be let jointly by Brighton and Hove City Council and ESCC for the disposal of the County's waste;

(l) endorses the setting in place of a Project Management Board to oversee the implementation and monitoring of the Refuse Collection and Street Cleansing Contracts to which the Cabinet Spokesperson and Opposition Spokesperson for the Environment, The Director of Planning, Regeneration and Amenities, The Director of Finance and Corporate Services and a

nominated Director of the appointed Refuse Collection and Street Cleansing Contractor, will constitute the Board.

<p>1.0</p>	<p><u>Background</u></p>	
<p>1.1</p>	<p>Set against the background of the Council's Best Value Review of Cleansing Services undertaken in 2001, which included Refuse Collection and Street Cleansing, and the need for the Council to encourage a reduction of household waste whilst increasing, significantly, its recycling rates against stringent targets set by Government, the Council resolved to address these issues through procurement of a new Refuse Collection Service to be implemented during 2003.</p>	
<p>1.2</p>	<p>In December 2002 the Council commenced a tender process for the following contracts: (a) Public Convenience Cleansing and Attendant Services (b) Dog Litter Bins and Associated Signs (c) Street Cleansing and (d) Refuse Collection (including Recycling) with the objective of awarding contracts prior to Christmas 2002 for implementation on the 1 April 2003.</p>	
<p>1.3</p>	<p>The process is being lead by a Project Manager, Mark Probyn, Head of Amenities who is responsible as lead officer of a Project Team. The Project Team consists of Paul Marsden, Cleansing Contracts Manager, Diane Linsdell, Financial Strategy Accountant and Peter Mulholland, Solicitor. The Project Team is responsible to a Project Board. The Project Board consists of Councillor Jon Harris, Councillor Barry Taylor, Sue McHugh, Director of Finance and Corporate Services and Norman Kinnish, Director of Planning, Regeneration and Amenities. Both Project Team and Project Board have defined responsibilities and the process is being managed in accordance with the principles of Prince II, Project Management.</p>	
<p>2.0</p>	<p>Contracts and Progress</p>	
<p>2.1</p>	<p>All contracts were put out to tender in early March 2002 further to which an initial evaluation/selection of tenders was undertaken. Further to this, negotiations are now in progress with tenderers for these contracts.</p>	

2.2	<u>Public Convenience Cleansing and Attendant Services</u>	<p>A 'basic' service has been tendered consisting of frequency cleansing of public conveniences and provision of attendants within selected sites. This is consistent with the current contract. Further to this, tenderers have been invited to offer an alternative to the 'basic' service which includes modified cleansing frequencies which reflect usage patterns in public conveniences in both Winter and Summer periods.</p>
2.3	<p>Having received tenders for these services in May 2002, negotiations have been in progress with the tenderers and best and final offers are now sought.</p>	
2.4	<p>Tenderers have not offered cost benefits by offering to run this service in conjunction with any of the other contracts on offer.</p>	
2.5	<p>Following the receipt of best and final offers it is anticipated that a report will be made to Scrutiny Committee in November 2002 followed by Cabinet in December 2002.</p>	
2.6	<u>Dog Litter Bins and Associated Signs</u>	<p>A 'basic' service has been tendered consisting of the emptying of dog litter bins located throughout the borough and the provision of dog litter bins and litter bin signs in additional locations.</p>
2.7	<p>All tenderers for the contract have returned significantly higher tenders than the current contract value. Negotiations with tenderers will continue.</p> <p>Additionally, the agreement of Cabinet is required to enable the present contractor for this service to be approached in terms of investigating the potential for extending the current Dog Litter Bins and Associated Signs Contract from its present expiry date of the 31 March 2003, for a period of two years.</p>	
2.8	<p>Tenderers have not offered cost benefits by offering to run this service in conjunction with any of the other contracts on offer.</p>	
2.9	<p>It is further anticipated that negotiations for this contract will conclude by the end of September with a recommendation being made to Scrutiny Committee in November 2002 followed by Cabinet in December 2002.</p>	
3.0	<u>Street Cleansing and Refuse Collection</u>	

3.1	Further to receiving tenders for the above services the Project Board is recommending to Cabinet that the contracts for these services should be let to one contractor.	
3.2	Financial advantage has been demonstrated through synergies anticipating that these contracts will be awarded to the same contractor.	
3.3	A 'basic' service has been tendered for street cleansing, based on the Environmental Protection Act (EPA) standard for litter collection with a complimentary frequency sweep for all streets and other identified areas. This is consistent with the current contract for this service. Tenderers have not put forward any alternative proposals for street cleansing.	
3.4	A 'basic' service for refuse collection has been tendered based on the current backdoor collection service. Variations of this service have been provided by tenderers including boundary collection identified in alternative bids. A wheeled bin collection service is also identified in the alternative bid from all tenderers.	
3.5	Similarly with recycling for which the 'basic' service is identified as a kerbside recycling box collection service to some 34,000 properties.	
3.6	In further negotiations with tenderers, provisional bids have also been received for providing a weekly wheeled bin service and also a fortnightly collection service for recyclables including paper, cans and mixed glass.	
3.7	Recognising the advanced stage of negotiations and the very tight time scale to agree a Service Specification, particularly for refuse collection and recycling, Briefing Sessions were given to Cabinet Members and Opposition Shadow Cabinet Members in August in order that the Project Board could progress with negotiations through to best and final offer with the tenderers concerned.	
3.8	Through these informal briefings and tenders received to date it was agreed that the Project Board should seek best and final offers from tenderers for a borough wide, curtilage collection point, weekly wheeled bin service with fortnightly recycling box service for some 34,000 households.	

3.9	Further to this, it is anticipated that there would be assistance given to the elderly and infirm or where site constraints may not permit the use of a wheeled bin collection service and/or a recycling bin service. This will also apply to many blocks of flats within the borough and also houses in multiple occupation.	
3.10	It is further proposed that to encourage a reduction in the waste stream, and the use of the recycling box service, that the collection of 'side waste' (waste that is not located within the wheeled bin) would be actively discouraged.	
3.11	It is anticipated that negotiations for these contracts will conclude by mid October with a recommendation being made to Scrutiny Committee in November 2002 followed by Cabinet in December 2002.	
4.0	<u>Additionally</u>	
4.1	Cabinet is advised that the Project Management Board has instructed the Head of Amenities to prepare a bid for submission to DEFRA in late September, against a £140 Million Waste Minimisation and Recycling Fund. The success of this bid should be known in December 2002 for funding for the year 2003/04. The Project Board would see this as an opportunity to secure funding potentially, for wheel bins and/or recycling boxes. Costs to implement these services may also be included in a bid. There is no guarantee however that this bid will be successful.	
4.2	The Project Management Board also recommends to Cabinet that on the cessation of the Cleansing Contracts Project Management Board, when these Contracts are let, the establishment of a Management Board which will, within defined objectives, specifically oversee the work prior to and during the implementation of the new Refuse Collection and Street Cleansing Contracts.	
4.3	It is anticipated that this Board will have Member representation including Cabinet Spokesperson and Opposition Spokesperson for the Environment. The Director of Planning, Regeneration and Amenities, The Director of Finance and Corporate Services and representation of the appointed Refuse Collection and Street Cleansing Contractor at Director level.	

4.4	The Board will be run on the principles of Prince II, as the current Board, and a Project Team of officers and contractor's representatives will be responsible to the Board for implementation and monitoring of these contracts for the duration of the contract period. The Cabinet is therefore requested to endorse this approach.	
5.0	<u>Consultation</u>	
5.1	Consultation took place through the Best Value Review particularly on refuse collection and street cleansing and subsequently with representatives of some 35 community groups within the borough at which significant support was indicated towards recycling, wheeled bins and the minimisation of waste.	
5.2	Additionally, a further 85 representatives from business organisations and community groups within the borough have also been consulted specifically on environmental issues for the community, through the Council's co-ordinated Environmental Community Forum.	
5.3	Consultation has also taken place on the issues raised in this report through Cabinet Briefing and Shadow Cabinet Briefing. Many of the specific items referred to in the report on which Cabinet is now asked to resolve, arise from the Council's Best Value Review of Cleansing Services which has informed the tender process for the Specifications for these Contracts.	
5.4	The Director of Finance and Corporate Services has been consulted and her comments are included below.	
6.0	<u>Human Resource</u>	
6.1	The content of this report does not address any human resource issues. The Project Board is mindful however of the need for the Council to review its staffing arrangements and to set in place an appropriate staffing arrangement that will support the appointed contractor for the Refuse Collection and Street Cleansing Contracts in implementation of a wheeled bin collection service and recycling box service.	
6.2	It will also be necessary for the Council to address the overriding need to set in place a Strategy which clearly defines the Council's objectives in terms of waste strategy, waste minimisation and recycling for future years further to which appropriate resources will be required to be identified.	

7.0	<u>Financial Implications</u>	
7.1	The Financial Implications for the Council will not be completely clear until best and final offers are received and negotiations in relation to each of the four contracts (dog litter bins, public conveniences, refuse collection/street cleansing) are complete.	
7.2	It is anticipated that the contracts for dog litter bins and public conveniences can be secured at values not significantly higher than the current budgets for these services, whilst allowing for some element of service improvement. Members have been aware for some time that new Refuse Collection/Street Cleansing Contracts incorporating recycling arrangements which are required to meet government targets will cost significantly more than the current budgets for these services.	
7.3	The service standards set and the method of delivery (i.e. wheeled bins) will affect the eventual contract price. However, from the negotiations to date it is clear that whatever specification is sought the cost increase will be major. A full evaluation will be provided once final bids have been received as part of the reports to Scrutiny and Cabinet in November/December.	
8.0	<u>Environmental, Youth and Anti-Poverty Implications</u>	
8.1	Addressing the household waste stream through waste minimisation and recycling is important. Through the content of this report concerning the introduction of a wheeled bin collection service and recycling box service the Council is demonstrating its commitment to meeting the challenging targets set by the Government for recycling, particularly through waste minimisation.	
8.2	Beyond this it is anticipated that the Council will set in place a waste strategy which clearly defines its objectives in terms of waste minimisation and recycling for future years. This will enable the Council to identify necessary resources, which may include funding for developments in the proposed recycling service and/or the introduction of a green waste collection service and other initiatives.	
9.0	<u>Summary</u>	

9.1	This report provides a position statement on progress with the letting of the Council's Cleansing Contracts, including Public Convenience Cleansing, Dog Litter Bin Collection Service, Refuse Collection and Street Cleansing. The Cabinet is asked to note progress and also to provide a clear direction to the Project Management Board on the services required, with the intention of contracts being awarded by Christmas 2003; with implementation in April 2003.
Mark Probyn Head of Amenities	

Background Papers:

The Background Papers used in compiling this report were as follows:

Best Value Review of Cleansing Services - Scrutiny Committee, 12 December 2001 (with Addendum Report).

East Sussex Local Government Association (ESLGA) Waste Management Group Meeting dated 26 June 2002.

(document reference) Reports/1 October 2002 Cabinet Report_Cleansing Contracts