

PFCC Decision Report

Report reference number: 081-21

Classification: Not protectively marked

Title of report:

Award of the 7F Waste Management and Recycling Services Contract

Area of county / stakeholders affected: County / region wide

Report by: Esther Beaumont (Head of Category Management, 7F Procurement)

Date of report: 05/05/2021

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1. Purpose of the report

The purpose of this report is to seek the authorisation of the Police, Fire and Crime Commissioner (PFCC) for Essex to sign the Seven Force Waste Management and Recycling Services Contract.

2. Recommendations

This paper seeks approval from the Police, Fire and Crime Commissioner to enter into a contract with Waste Cost Reduction Services Ltd (WCRS) following the procurement by the Seven Forces Collaboration of a Waste Management and Recycling Services contract.

The contract is for four years in duration, commencing on 1 May 2021 for Bedfordshire, Cambridgeshire, Hertfordshire, Suffolk and Norfolk and on 12 October 2022 for Essex and Kent. The contract includes the option to extend for one period of 24 months, plus a further 12-month period.

3. Benefits of the proposal

The collaborative procurement of waste management and recycling services across the seven forces of the eastern region delivers a number of key benefits:

- a) The total value of this contract provided a very attractive opportunity to the market.
- b) The seven forces benefited from pooled volume and lower prices.
- c) One procurement with different lots for each of the clusters saved time and resource for both 7 Forces staff and interested tenderers.
- d) Multiple lots enabled smaller niche providers to bid, whilst also allowing larger organisations the opportunity to bid for multiple lots. This maximised competition and options for the seven forces.
- e) One contract manager across the region will provide the successful organisations with a clear single point of contact and force staff with clarity when waste management issues arise. One contract manager responsible for a single contract incorporating all forces also saves £72,000 per annum compared with separate contract managers across the region.
- f) Significant social value benefits will also be delivered via this contract, managed and monitored by the 7F SRM team.

The consequences of not awarding this contract would be significant:

- a) A new procurement would be required to deliver a waste management solution for Essex when current arrangements expire in October 2022. It would be unlikely that prices would be improved upon, due to pooled volume no longer being an option.
- b) There would also be implications for the other forces in the eastern region, as this contract is region wide, so the removal of one force from the contract may result in cost amendments for the remaining forces. This is particularly significant as the contract has already commenced across five forces in the region (Bedfordshire, Cambridgeshire, Hertfordshire, Norfolk and Suffolk).

4. Background and proposal

The seven forces currently have individual contracts for waste management services. Kent and Essex have a contract with Suez Recycling until 11 October 2022. It is the intention that this new contract will commence for the Kent and Essex forces on 12 October 2022.

Following market analysis and category strategy development, a 7 Forces tender was issued for general, recycling, hazardous, clinical, WEEE and confidential shredding waste services, delivering consistency across the seven forces with one strategic waste partner. Consolidating and pooling the spend across the forces and going to market for one waste partner anticipated cashable savings for the 7F collaboration and facilitated best value for money.

The waste management strategy also aimed to deliver a particular emphasis on the winning bidder delivering social value by using 70% SME sub-contractors and contributing to local communities and society.

5. Alternative options considered and rejected

5.1 Do Nothing

This was not a viable option as waste needs to be disposed of in accordance with legislation and contracts must be completed in accordance with legal obligations.

5.2 Individual Clusters procure their own Waste Management contracts

This option would have required the 7 Force Procurement team to procure waste management services three times during a 12-month period, as the majority of the contracts expired in March / April 2021. This was not an efficient allocation of resource, particularly when waste management is a commonly purchased service conforming to legislation which could easily be standardised across the region. Although there is no national specification, legislative requirements have to be met and all stakeholders would be able to agree a standardised specification for the provision of these services.

5.3 A pre-existing Framework

This would have saved procurement time as the contract and supply chain are already in place. However, the specification may not have covered everything that the seven forces need. In addition, national frameworks tend to rule out local and incumbent providers, which restricts the delivery of social value benefits for the local region.

6. Police and Crime Plan

The recommendation set out in this report aligns with the commitments made in the Police and Crime Plan to work across the eastern region forces through the seven force collaboration programme and to deliver efficiencies by sharing estates, resources and back office functions.

7. Police operational implications

The new contract will ensure that all Essex Police force sites across the estate will have a waste management and recycling service in place that complies with statutory and legislative requirements.

Consultation and engagement have been undertaken with the following stakeholders on behalf of Essex during the tendering and evaluation process:

- David Mannion-Marshall (Head of Business Services)
- Neil Graves and Russell Pavey (Business Services Managers)
- Suzanne Barnes (Performance and Compliance Co-Ordinator, Business Services)

8. Financial implications

The contract pricing is fixed for the initial two-year period at a total cost of £1,006,258 for the region. The additional regional cost of £1,701,946 for Years 3 and 4 is estimated as this is subject to an annual price increase mechanism. The total four-year contract period is therefore valued at £2,708,204.

Should the two-year extension be taken, there is an additional regional cost of £1,701,947. Should the further one-year extension also be taken, a final annual cost for the region of £850,973 will be applicable. The total regional cost of this service, over the full seven-year term is therefore £5,261,124.

Cashable savings under this contract across the region, against actual spend in 2019/20, amount to £1,864,120. The cashable savings against current budgets amount to £1,172,516.

The forecast contract expenditure for Essex only is as follows:

Force	Year 1	Year 2	Year 3	Year 4	TOTAL
Essex	£0*	£145,097*	£262,182	£262,182	£669,461

*Spend will be under current contractual arrangements until October 2022

The forecast contract savings for Essex only against actual spend in 2019/20 are as follows:

Force	Year 1	Year 2	Year 3	Year 4	TOTAL
Essex	£0*	£121,776*	£220,041	£220,041	£561,858

*Spend will be under current contractual arrangements until October 2022

The forecast contract savings for Essex only against the 2020/21 budget are as follows:

Force	Year 1	Year 2	Year 3	Year 4	TOTAL
Essex	£0*	£76,702*	£138,595	£138,595	£353,892

*Spend will be under current contractual arrangements until October 2022

9. Legal implications

The procurement of the 7F Waste Management and Recycling Services contract has been conducted compliantly, adhering to the Public Contract Regulations 2015 and 7F Contract Standing Orders. No additional legal advice has been required.

10. Staffing implications

TUPE is applicable under this contract and has been appropriately managed between the incumbent contractors and the successful new contractor, Waste Cost Reduction Services Ltd (WCRS)

11. Equality and Diversity implications

As set out in section 9 above, the procurement of the 7F Waste Management and Recycling Services contract has been conducted compliantly, adhering to the Public Contract Regulations 2015 and 7F Contract Standing Orders. There are no additional equality and diversity implications.

12. Risks

There are no risks on the Strategic Procurement Governance Board's risk registers that are engaged by the matters described in this paper and no changes to these registers are proposed as a result of this paper.

13. Governance Boards

The Lead Authority for the contract is the Police and Crime Commissioner for Norfolk.

The procurement route was approved at the Strategic Procurement Governance Board on 19 May 2020. The Contract Award to Waste Cost Reduction Services Ltd (WCRS) subsequently endorsed at the Strategic Procurement Governance Board on 10 March 2021. The PFCC's Head of Finance participated in this meeting.

The Contract Award Reg 84 Report was reviewed and approved by Essex Police's Chief Finance Officer (CFO), Debbie Martin, on 12 March 2021.

14. Background papers

Appendix 1 – Gate 2: Procurement Outcome, Award and Implementation – Waste Management Services – 7F-2020-0029 (OFFICIAL SENSITIVE – COMMERCIAL)

Appendix 2 - Request for Contract Signing and / or Sealing (OFFICIAL SENSITIVE – COMMERCIAL). This contains all associated documentation in relation to this project, which can be found within section A2.

Report Approval

The report will be signed off by the PFCC Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign: 

Print: P. Brent-Isherwood

Date: 21 May 2020

Chief Finance Officer

Sign: 

Print: Julia Berry

Date: 25 May 2021

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

However, the appendices are not to be published as they contain commercially sensitive material.

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?	YES	<input type="checkbox"/>	2. Of Appendix?	YES	<input checked="" type="checkbox"/>
	NO	<input checked="" type="checkbox"/>		NO	<input type="checkbox"/>

If 'YES', please provide details of required redaction:

The appendices are not to be published as they contain commercially sensitive material.

Date redaction carried out: 28 June 2021

Treasurer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign: *Julia Berry*

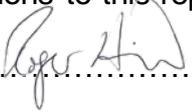
Print: Julia Berry

Chief Executive/Treasurer

Date signed: 28 June 2021

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: ROGER HIRST

PFCC

Date signed: 23 June 2021

I do not agree the recommendations to this report because:

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Sign:

Print:

PFCC/Deputy PFCC

Date signed: