

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Environmental Services Re-provision – Progress Report
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AGENDA STATUS: **Public**

Cabinet Meeting Date:	19 th July 2017
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Customers and Communities
Accountable Cabinet Member:	Councillor Mike Hallam
Ward(s)	All wards

1. Purpose

- 1.1 To advise of progress with the re-procurement of the environmental services contract.

2. Recommendations

- 2.1 That cabinet note progress with the environmental services re-provision process.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The council's environmental services contract expires on 3 June 2018. To move forward the process to put new arrangements in place, at a meeting of cabinet on 16th November 2016, it was decided to once again outsource the full range of environmental services.
- 3.1.2 At a subsequent meeting of cabinet on 11th January 2017, the key principles of the procurement strategy for the re-provision of environmental services were agreed and the business case was approved.
- 3.1.3 In April 2017, cabinet was advised that in response to the OJEU notice and Selection Questionnaire issued on 13th February 2017, nine responses were received and evaluated, leading to the five highest scoring bidders being invited to submit Initial tenders.
- 3.1.4 Also in April 2017, in response to the extensive public consultation that had taken place, cabinet agreed that the following requirements for service design be included in the service specification:
- Fortnightly co-mingled dry recycling collection service
 - Free green waste collection service
 - Kitchen food waste collection service
- 3.1.5 Since the April 2017 cabinet report, further progress has been made as follows:
- 3.1.5.1 ISIT stage started on 8th May 2017 and completed on 7th July. Of the five bidder invited to submit initial tenders, three have submitted initial tenders.
- 3.1.5.2 Evaluation of the ISIT submissions from the three potential providers is currently underway. A robust evaluation panel made up of officers and advisers has been appointed. The evaluation panel will verify whether submissions comply with the minimum requirements and apply the award criteria to undertake evaluation.
- 3.1.5.3 The Authority has reserved the right to award the contract on the basis of the initial tenders. In the event that the Authority decides not to award at this stage, a negotiation period will follow.
- 3.1.5.4 At the conclusion of the negotiation period, the Authority intends to start the final stage of the procurement process, Invitation to Submit Final Tenders (ISFT), in autumn 2017.
- 3.1.5.5 The preferred bidder will be identified by applying the award criteria.

- 3.1.5.6 It is anticipated that the recommendation to award the next contract to the preferred bidder will be presented to cabinet at its meeting in January 2018.

3.2 Choices (Options)

- 3.2.1 This report is a progress report and cabinet is therefore not required at this stage to select options or make choices.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are no policy implications directly arising from this report.

4.2 Resources and Risk

Financial Implications

- 4.2.1 The financial implications of carrying out the environmental services procurement process were dealt with in the Environmental Services Re-provision cabinet report of 16th November 2016. The cost of the new service will not be known until final tender, but a significant price increase is anticipated.
- 4.2.2 The decision taken by cabinet in April 2017 to have a co-mingled dry recycling collection service, free green waste collection service and kitchen food waste collection service was made subject to affordability.
- 4.2.3 Affordability will be considered in light of both the actual tender prices submitted by bidders in their initial tenders and the wider budget implications for the council, which will be more clearly understood in the coming months.

Risk

- 4.2.4 Key risks to the project have been identified as follows:
- Maintaining competition
 - Collaboration from the incumbent
 - Maintaining service standards
- 4.2.5 These risks are being managed via expert advice from technical and professional experts and some mitigations have been put in place.
- 4.2.6 A risk register has been developed to ensure effective risk management throughout the procurement process.
- 4.2.7 The Council's internal auditors, PwC, have considered the governance arrangements around the ongoing delivery of the Cabinet approved Business Case and Procurement Strategy and have confirmed that the process is robust.

4.2.8 Furthermore, to help to ensure the robustness of the procurement process going forward, overview and scrutiny committee were invited to establish a scrutiny panel to scrutinise the process through to contract award and beyond.

4.3 Legal

4.3.1 A procurement process of this type, size and scope is legally complex. Legal advice has been sought throughout the process to date.

4.3.2 New legal advisors to the project were appointed in June 2017 to advise on the legal robustness of the project to date and the proposed way forward.

4.4 Equality and Health

4.4.1 An equality impact assessment was undertaken as part of the commissioning options review process, which was considered by cabinet on 16th November 2016. That EIA has been reviewed to reflect the recommendations set out in this report and will continue to be reviewed and updated throughout the procurement process.

4.4.2 Bidders will be required to have full regard to equality and health implications when submitting their initial tenders and a community impact assessment will be undertaken ahead of contract award.

4.5 Consultees (Internal and External)

4.5.1 A community engagement framework has been developed to ensure stakeholders are fully involved in the environmental services re-provision process.

4.5.2 The community engagement framework was drawn from a broad range of stakeholder groups, including resident associations, parish councils, friends groups, park management committees, partner agencies, ward councillors and staff.

4.5.3 As well as consultation undertaken via the community engagement framework, an Ipsos MORI survey was commissioned. The survey entailed 1,000 interviews with residents from across Northampton which sought their views on various aspects of environmental services.

4.5.4 All consultation has been analysed and summarised. The consultation report (Community Engagement and Consultation on Re-Provision of Environmental Services) is a background paper to this report and is available on the council's website.

4.5.5 Conclusions drawn from the consultation have been used to inform key aspects of service design in the April 2017 cabinet report, namely

- Fortnightly co-mingled dry recycling collection service
- Free green waste collection service

- Kitchen food waste collection service

4.5.6 Consultation outcomes also provide some very clear messages about local priorities and desired service standards and have been made available to bidders in the data room to assist them in developing their tenders.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The proposals in this report will help to deliver the following corporate plan priorities:

- A clean and attractive town for residents and visitors
- Enhancing and encouraging participation
- Delivering quality modern services

5. Background Papers

Environmental Services Re-provision – Selection of Service Delivery Option, Cabinet Report, 16th November 2016

Eunomia – Commissioning Options Review, October 2016 (partly exempt for commercial reasons)

Environmental Services Re-provision – Procurement Process, Cabinet Report, 11th January 2017

Community Engagement and Consultation on Re-Provision of Environmental Services

Selection Questionnaire Evaluation Report, March 2017 (restricted access)

Environmental Services Re-provision – Procurement Process, Cabinet Report, 12th April 2017

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