

EAST DEVON DISTRICT COUNCIL

Minutes of a special meeting of the Corporate Overview Committee held at Knowle, Sidmouth on Thursday, 18 August 2005

Present:

Councillors:

G K Liverton (Chairman)	J P Halse
R C Peachey (Vice-Chairman)	T G Reeves
G P Chamberlain	Mrs B O Taylor
K W George	S C Wragg

Also Present:

Councillors:

Miss V Ash	Mrs F Newth
Miss J M Elson	Miss S M Randall Johnson
A R Giles	Mrs M A Rogers
R Mudge	Mrs P A Stott

Apologies:

Councillors:

Mrs R E Burrow
A Dinnis
J E D Falby
A W J Reed
C H Wale

Apologies:

**Non-Overview
Members**

Councillors:

D G Button
R G Franklin
D R H Hull

The meeting started at 6.30pm and finished at 7.58pm

The Committee sent its best wishes to Councillor Button who had been admitted to hospital due to ill health.

*8 **Minutes**

The minutes of the meeting of the Corporate Overview Committee held on 7 July 2005 were confirmed and signed as a true record.

*9 **Exempt information**

RESOLVED

that the classification given to the report to be presented to the Committee be confirmed and dealt with as exempt information under Part B of the agenda.

*10 **Exclusion of the public**

RESOLVED

that under Section 100(A)(4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed.

11 **Refuse and Recycling Contract**

Mark Reilly, Head of Street Scene Services gave an informative presentation on the future of East Devon District Council's refuse and recycling service. The existing contract for the service was due to expire on 31 March 2006. A tendering process had been undertaken to find a contractor to provide a revised service. The tender specification was drawn up in line with the East Devon Waste Strategy. This required a significant increase in the amount of waste recycled, increased frequency of recycling collections and an increase in the types of materials recycled, with a view to minimizing the amount of waste ending up in landfill sites.

The Government had set national statutory targets for recycling. These targets included requirements to recycle 27% of waste by 1 April 2005, the possible collection of 4 kilos of waste electrical/electronic goods from households by 31 December 2006 (providers to pay) and a doorstep collection of at least 2 materials from all households by 2010. It was noted that the current recycling rate in East Devon was 16% of all waste.

An advertisement had been placed in a European refuse industry publication inviting expressions of interest. 14 replies had been received and contractors had been sent questionnaires to establish their 'commercial fitness' for the contract. 9 questionnaires had been returned and evaluated. 8 of these companies had been invited to tender and 7 had submitted. Members were advised that the number of tenders returned was twice the national average. The tenders were each evaluated in terms of quality and finance. A 25:75 quality to finance ratio was used in the ranking exercise. The finance evaluation involved looking at the contractors submissions for 7 different scenarios, for example; fortnightly collection of recycling, weekly collection from 100% of households including plastic bottles and weekly collection from 100% of households not including plastic bottles.

2 contractors came out of the evaluation as clear favorites. Members were not advised of the names of the companies nor the amounts bid but were assured that both had a lot of experience of operating in Britain. All of the tenders submitted were referred to by a letter A-G to enable them to be discussed without disclosure of their identity.

The two preferred companies had given a presentation during which several similarities were identified, for example both offered formal partnership working, both could deliver over 50% recycling/composting, both offered a garden waste service at a cost to residents and neither offered a discount for a joint contract with Mid Devon District Council.

If the recycling of kitchen waste was gradually introduced the Council was predicted to achieve a recycling rate of 50% by 2013.

Consideration was given to proposed recommendations to be made to the Executive Board and Members were encouraged to ask questions. The following points were noted:

- The Council currently could only enforce recycling through the provision of containers but the Department for Environment, Food and Rural Affairs (DEFRA) was looking into strengthening regulations.
- As there was a high initial outlay in providing bins and the subsequent problems of loss or damage, it was suggested that a better alternative was for the contractor to supply them. Members were advised that the Council had asked for detailed financial modeling to see how the cost of bins could affect the Council's budgeting.
- The collection of green/garden waste was a service offered by contractors. It was not included in the tender specification and therefore formed no part of the evaluation exercise.
- The contract would be granted under TUPE regulations. Current employees would be taken on by any new contractor under similar or improved conditions of employment.

Refuse and Recycling Contract (Cont)

- Approximately 120 Councils operated a refuse scheme which involved a fortnightly collection of recycling and residual waste and a weekly collection of kitchen waste. Residents had to accept that they had an environmental responsibility and act accordingly.
- Both of the shortlisted companies were keen on partnership working. They proposed the establishment of a board made up of interested parties including representatives of the contractor, Councils and residents.
- Delegated authority was requested to enable Officers to take part in detailed discussions which could impact on the Medium Term Financial Plan.
- The 25:75 quality to finance ratio was chosen as the finance aspect would have the largest impact on the Council. The ratio was similar to that used by other authorities.
- The education of residents in terms of the importance of recycling and separating waste would be dealt with by the contractor under their service delivery plan.
- Both of the shortlisted companies had a proven track record of operating in Britain.

The Corporate Director – Environment, Head of Street Scene, Mr Deacon (Consultant) and Councillors Nicholson and Wilkinson were all thanked and congratulated on their work in progressing the tender process.

- RECOMMENDED**
- 1) that the Executive Board notes that:
 - a) The tender process had been informed by the Council's waste strategy;
 - b) That company F had submitted the lowest bid for delivering the requirements of the Council's waste strategy;
 - c) That the bid from company F would enable the delivery of the Council's waste strategy in accordance with the Council's Medium Term Financial Plan;
 - 2) that company F be appointed as the preferred supplier for the new waste collection and recycling contract;
 - 3) that delegated authority be given to the Corporate Director – Environment in consultation with the Deputy Environment Portfolio Holder and the Resources Portfolio Holder to:
 - a) Enter into contract discussions with the preferred supplier;
 - b) Pursue options for securing further efficiency savings in the new contract;
 - c) Establish detailed arrangements for achieving the full delivery of the Waste Strategy over the life of the contract.
 - d) Pursue the partnership arrangements with Mid Devon District Council;
 - 4) that the detailed financial implications (both revenue and capital) of the new contract be reported back to Members following the appointment of the preferred supplier;

Refuse and Recycling Contract (Cont.)

- 5) that subject to the impact on the Medium Term Financial Plan, the Council implement recycling of 100% of households in East Devon and that the material collected include plastic bottles and possibly card;
- 6) that, subject to the impact on the Medium Term Financial Plan, the Council implement tranches of between 5,000 to 10,000 properties on a kitchen waste scheme each successive year – to include the containerisation of the residual waste which would be collected fortnightly;
- 7) that authority be given to the Head of Street Scene to instruct the consultant to complete financial modelling of the proposed contract and establish “Gershon” efficiency savings.

Chairman Date.....