

NORTH LINCOLNSHIRE COUNCIL

**NEIGHBOURHOOD, ENVIRONMENT AND COMMUNITIES
CABINET MEMBER**

PROCUREMENT OF INTERIM ORGANIC WASTE TREATMENT SERVICE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The object of this report is to update the Cabinet Member with the progress of the procurement of an interim organic waste treatment service for the Council's municipal waste.
- 1.2 The key points in this report are:
- The Cabinet Member previously approved the procurement of an interim organic waste treatment service;
 - A contract notice was issued and eleven organisations submitted pre-qualification questionnaires by the deadline;
 - Four organisations are recommended to progress and be invited to submit tenders.

2. BACKGROUND INFORMATION

- 2.1 The current contract for the provision of organic waste management services for the Council terminates on 31 March 2011. The Council included the organic waste fraction as Lot 2 within the contract for the treatment and disposal of residual and organic wastes but had to abandon the organic element as none of the Bids received were assessed as being affordable solutions.
- 2.2 A new procurement commenced with a contract notice being submitted to the European Union on 17 August 2010. Pre-qualification questionnaires were received from twelve organisations and the Council began their evaluation.
- 2.3 The waste stream advertised under the procurement was re-classified by Animal Health during the evaluation period as falling under the Animal By-Products Regulations (ABPR) 2003. The consequence of this was that the procurement had to be stopped and a new one begun.

- 2.4 A new contract notice was placed with the European Union on 16 November 2010 and eleven completed pre-qualification questionnaires were received by the deadline of 16 December 2010.
- 2.5 The eleven pre-qualification questionnaires returned were evaluated in accordance with the evaluation criteria approved on 27 October 2010.
- 2.6 Seven organisations failed either the financial or technical criteria. Those organisations passing all the criteria were:
- Biowise Ltd
 - Brier Hills Recycling Ltd
 - Organic Recycling
 - SITA UK Ltd
- 2.7 The next stage in the process is for those organisations passing pre-qualification to be invited to submit formal tenders. The timetable agreed for the project has a deadline for receipt of formal tenders by 25 March 2011.

3. OPTIONS FOR CONSIDERATION

- 3.1 The Council can invite the four organisations passing pre-qualification to submit formal tenders.
- 3.2 The Council can choose not to invite these organisations to submit tenders and stop the procurement.

4. ANALYSIS OF OPTIONS

- 4.1 Progressing to the invitation to submit formal tender stage is in accordance with the procurement strategy approved by the Cabinet Member on 27 October 2010. This strategy should achieve an award of contract by June 2011 with a start date of 1 July 2011.
- 4.2 If the decision is taken to not invite these organisations then, because they were evaluated in accordance with the published evaluation criteria, a new procurement process will need to be started.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 The main aim is to procure a short term service contract at the most cost effective price to treat the organic waste stream in a legally compliant way. Until an EU compliant contract can be awarded and a new service commenced the Council is paying additional costs to the current contractor to take the waste to an ABPR compliant treatment facility.
- 5.2 The team created to procure the original residual and organic treatment contract will undertake this project.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 The project will satisfy the statutory requirements placed upon the Council and will ensure the Council's municipal waste stream is treated in full compliance with waste management and environmental legislation.

7. OUTCOMES OF CONSULTATION

7.1 The Service Director Finance and the Waste Contracts Project Board support the procurement strategy approved for this project.

8. RECOMMENDATIONS

8.1 That the outcome of the evaluation of the pre-qualification stage is approved and the organisations shown at 2.7 are invited to submit formal tenders.

SERVICE DIRECTOR NEIGHBOURHOOD & ENVIRONMENT

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Background Papers used in the preparation of this report

Cabinet Member report 27.10.10