

**From:** David Beaver, Head of Waste Management Services

**To:** Mike Whiting, Cabinet Member for Planning, Highways, Transport and Waste.

**Decision No:** 19/00039

**Subject:** Award of a short-term contract to the Commercial Services Group for the operation of three household waste recycling centres

**Classification:** Unrestricted

**Electoral Division:** All in Sevenoaks Borough Council, Maidstone Borough Council and Dartford Borough Council

**Summary:**

This paper seeks approval from the Cabinet Member for Planning, Highways, Transport and Waste to implement a short-term variation for the operation and management of three Household Waste Recycling Centres.

It is proposed in June 2019, to transfer the three HWRC sites within West Kent, currently contracted to John Slattery Ltd, to Commercial Services Group (CSG). This will mean that five sites, operated as a contractual Lot 1 are managed by CSG which will be operated until November 2020;

Additionally, Biffa Municipal Ltd currently operate and manage twelve of KCC's Waste Transfer Stations (TS) and Household Waste and Recycling Centres (HWRCs) through operational Lots 2 & 3. If this contract is not extended, it will cease in November 2020. Unless a clear proposal is submitted to KCC, which represents highly comparable terms and prices, this contract may be re-commissioned.

As all contracts lots will have co-terminus end dates, this presents an opportunity for officers to develop a commercial strategy for the management and operation of all three Lots, comprising 5 Waste Transfer Stations (TS) and 17 number Household Waste and Recycling Centres (HWRCs).

**Recommendation(s):**

The Cabinet Member for Planning, Highways, Transport and Waste is asked to;

- a) Award a short-term variation of the contract for the operation and management of three Household Waste Recycling Centres at Tovil, Maidstone & Swanley, to Commercial Services Group (CSG) from June 2019 until November 2020.
- b) Note that Officers will prepare a common commissioning plan for the whole County. The detail of the various options within this commissioning plan, will be discussed at a future meeting of the Environment and Transport Cabinet Committee;

## **1. Introduction**

- 1.1 The existing contract let to John Slattery Ltd, for the management and operation of the HWRCs at Tovil, Maidstone and Dartford completes its contractual term in June 2019.
- 1.2 KCC operates 18 HWRCs. There are more than 3 million visitors a year who deposit 170,000 tonnes of waste per annum. The daily operation and management of these sites is served by four contractors under three contractual lots. The Pepperhill site is out of scope.
- 1.3 Lot 1 is split over two contracts. The contract with John Slattery Ltd expires in June 2019 and covers HWRC sites at Dartford, Tovil and Swanley. There is no contractual option to extend this contract.
- 1.4 The contract with CSG, covers two major Transfer Stations and HWRC sites at North Farm, Tunbridge Wells and Dunbrik, in Sevenoaks. The contract has an initial break clause in March 2020, with an option to extend for up to six years.
- 1.5 The existing contract with CSG allows the inclusion of additional sites through contract variations.
- 1.6 It is proposed to transfer the three HWRC sites within West Kent, currently contracted to John Slattery Ltd, to Commercial Services Group (CSG).
- 1.7 Lots 2 and 3, are operated by Biffa Municipal Ltd and were awarded in 2014. The initial six-year term concludes on 31st October 2020 and there is an option of a further six-year extension based on good performance and agreement of some defined terms. At this time a formal extension proposal has not been submitted by Biffa, as they wish to renegotiate alternative commercial terms of the existing contract.
- 1.8 Advice from Strategic Commissioning, consensus is that KCC would carefully consider and assess the legal risk before agreeing to such changes as there are strict statutory conditions under which KCC would be allowed to agree significant changes to the contract under Regulation 32 (Modification of contracts during their term) of the Public Contracts Regulations 2015.
- 1.9 If the proposal to transfer the operation and management of three HWRCs from John Slattery Ltd to CSG is accepted, this will mean all lots have the same expiry date and therefore provides an opportunity to develop a common commissioning plan for the whole County. This is likely to be beneficial as the Authority will be able to determine a common operating specification across the County as well as attract wider market interest from a variety of potential suppliers.
- 1.10 A full commissioning strategy for all Lots will be proposed for the consideration of this Committee in the autumn of 2019.

## **2. Financial Implications**

- 2.1 A detailed cost proposal for Lot 1 has been submitted by Commercial Services Group. Anticipated expenditure will be funded through existing operational budgets. These are broadly comparable with the incumbent, particularly as some material title will return to the Authority which will generate income.

## **3. Legal Implications**

- 3.1 This contract variation enables the Authority to discharge its statutory duty as Waste Disposal Authority. KCC will be using Regulation 12 (Public Contracts between entities within the public sector) of the Public Contracts Regulations 2015 to vary this Contract.
- 3.2 Initial screening of the data protection impact assessment has determined there to be no exchange of personal data. Equalities impact assessment has determined a low impact against all protected characteristics as this proposed decision will not affect protected groups. The contract mandates CSG to adhere to all aspects of the Equality Act 2010

## **4. Conclusions**

- 4.1 By making the short-term variation to the existing contract with CSG to encompass the sites in Lot 1, all lots will have the same expiry point. Officers can then propose a commissioning strategy for consideration by Members of the Environment & Transport Cabinet Committee to cover the whole County, should an extension to Lot 2 & 3 with Biffa Municipal Ltd not be pursued.

## **5. Recommendations**

- 5.1 The Cabinet Member for Planning, Highways, Transport and Waste is asked to;
- a) Award a short-term variation of the contract for the operation and management of three Household Waste Recycling Centres at Tovil, Maidstone & Swanley, to Commercial Services Group (CSG) from June 2019 until November 2020.
  - b) Note that Officers will prepare a common commissioning plan for the whole County. The detail of the various options within this commissioning plan, will be discussed with at a future meeting of the Environment and Transport Cabinet Committee

as shown at Appendix A.

## **6. Background Documents**

- Appendix A: Proposed Record of Decision
- EqlA

## 7. Contact details

Report Author: David Beaver

- Name and title David Beaver, Head of Waste Management Services
- Telephone number 03000 411620
- Email address [david.beaver@kent.gov.uk](mailto:david.beaver@kent.gov.uk)

Relevant Director: Simon Jones

- Name and title Simon Jones Director, Highways Transportation and Waste
- Telephone number 03000 411683
- Email address [simon.jones@kent.gov.uk](mailto:simon.jones@kent.gov.uk)