

Ms Urquhart, Cabinet Member for Environment	Ref No: ENV10 (18/19)
October 2018	Key Decision: Yes
Re-procurement for the provision of Clinical Waste Services	Part I
Report by Lee Harris Executive Director Economy, Infrastructure & Steve Read Environment and Director of Energy, Waste & Environment	Electoral Division(s):
<p>Summary</p> <p>The Clinical Waste Framework Agreement (“the Agreement”) is for both the collection and support services and the treatment and disposal of clinical waste for West Sussex. The collection element includes working with the District and Borough Councils of West Sussex.</p> <p>The Agreement ends on 31st March 2019 and the Cabinet Member for Environment is asked to approve the commencement of a procurement process to replace the Agreement and delegate authority for the contract award.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>Ensuring the proper disposal of clinical waste will reduce the amount of waste sent to landfill and support the aim of a strong, safe and sustainable place.</p>	
<p>Financial Impact</p> <p>Whilst the Agreement includes the provision of both Collection and Disposal services, the Council’s financial obligations relate to the disposal services under the Agreement. The current level of expenditure on this element of the contract is £200k per annum (based on 697 tonnes at an average cost per tonne of £287). The service provider will be expected to make savings both in terms of the support functions, which would predominantly fall to the collection authorities, along with the end treatment and disposal costs. A 5% reduction in the cost of end treatment and disposal would see a saving to the county council of £10k.</p>	
<p>Recommendations</p> <p>That the Cabinet Member for Environment:</p> <ol style="list-style-type: none"> 1) Approves the commencement of the procurement process; and 2) Delegates authority to the Director of Energy, Waste & Environment to award the contract. 	

PROPOSAL

1. Background and Context

- 1.1 Under section 45 of the Environmental Protection Act (“the Act”), District and Borough Councils have a duty to collect household waste (including clinical waste), produced by residents at a domestic property. Under section 51 of the Act it is the responsibility of West Sussex County Council as a Waste

Disposal Authority to dispose of waste collected in its area by waste collection authorities.

- 1.2 From January 2015 the County Council entered into a four year framework agreement with Medisort Ltd to allow for both the collection and support services and also the treatment and disposal of clinical waste from the householders in West Sussex. The County Council immediately called off on this contract for treatment and disposal services for an initial period of three years (ending December 2017). This was extended by 15 months and is due to expire at the end of March 2019.
- 1.3 Four District and Borough Councils have taken the opportunity to make use of the framework agreement for their collection and support services. These are Crawley Borough Council, Horsham District Council, Chichester District Council and Arun District Council (the West Sussex Waste Collection Authorities). Adur and Worthing Council Services and Mid Sussex District Council operate their own collections and have their own contractual arrangements and will also continue to use a transfer station in West Sussex as their delivery point.
- 1.4 The West Sussex Waste Collection Authorities who have used the Agreement have achieved efficiency savings in terms of physically collecting the waste and uniting the customer care and administrative processes.

2. Proposal Details

- 2.1 The County Council proposes to:
 - Re procure a framework agreement for the:
 - a) collection and support services for clinical waste and
 - b) treatment and disposal services for clinical waste, to ensure compliance and avoid sending waste to landfill;
 - prepare a separate specification of services for (a) collection & support services; and (b) treatment and disposal.
 - consider only treatment services that are based within the UK and preferably within West Sussex to reduce the carbon footprint of the treatment of waste journey;
 - consider any form of transport which is technically, financially and commercially sustainable and feasible;
 - follow the open procurement process, whilst ensuring the procurement is attractive and not unnecessarily burdensome to the bidders or the County Council; and
 - minimise the resource requirements for the procurement process, by using the West Sussex e-sourcing portal to manage the recommended open procurement process.

FACTORS TAKEN INTO ACCOUNT

3. Consultation

- 3.1. The West Sussex Waste Collection Authorities were consulted and any comments will be incorporated into the procurement process. A task and finish officer working group of all District and Borough representatives that want to make use of a new framework agreement for the provision of their services has been established. This joint working will allow a Specification and Evaluation Methodology to be drawn up together and agreed by all parties.
- 3.2. The procurement documentation is being developed by Waste Management Services and the Contracts and Procurement Service with support from Legal and Financial Services.

4. Financial (revenue and capital) and Resource Implications

4.1 Revenue consequences of proposal

The current costs for treatment and disposal are £200k per annum. It is expected that the collaborative procurement process will deliver a more efficient service and contribute to the contract savings target for the Directorate.

	Current Year 2018/19 £m	Year 2 2019/20 £m	Year 3 2020/21 £m	Year 4 2021/22 £m
Revenue budget	£200,000	£200,000	£190,000	£190,000
Change from Proposal		-£10,000		
Remaining budget		£190,000	£190,000	£190,000

4.2 Capital consequences

No capital consequences of this proposal.

- 4.3 This proposal will deliver a treatment and disposal service for all clinical waste collected by the Districts and Boroughs from the residents of West Sussex. It will also allow those District and Boroughs who wish to call off on a service for their collection and support services. The ongoing cost of the service will be determined by the number of customers requiring the service. As there is a drive to keep people in their homes for longer and where possible to discharge people from hospital with support going into the homes this may impact on the number of customers needing this service.

4.4 Future transformation, savings/efficiencies being delivered

Savings and efficiencies will be delivered through the shared use of one service provider, which should allow costs to be reduced across the management support service function. It is expected that there would be savings on a cost per tonne basis for the treatment and disposal function across the contract term.

4.5 Human Resources, IT and Assets Impact

No impact

5. Legal Implications

Under section 45 of the Act, District and Boroughs have a duty to collect household waste (including clinical waste), produced by residents at a domestic property. Under section 51 of the Act it is the responsibility of West Sussex County Council as a Waste Disposal Authority to dispose of waste collected in its area by waste collection authorities.

A Cabinet Member Key Decision is required as this procurement relates to a contract for services with a total value in excess of £500,000.

The procurement will be undertaken in accordance with the Public Contract Regulations 2015 for awarding contracts and comply by ensuring the principles of transparency and equal treatment are maintained, ensuring acceptable time limits are applied and details of the award procedure made clear in the tender documents.

6. Risk Assessment Implications and Mitigations

- 6.1 The County Council has a responsibility to dispose of waste collected by the District and Borough Councils. If the County Council does not have a contract in place for the treatment and/or disposal of clinical waste this would result in either a) the District and Borough Councils stockpiling offensive clinical waste which could be illegal or b) the District and Borough Councils being unable to collect offensive clinical waste. This would pose a risk to the health and safety of customers and residents. This procurement mitigates this risk.

7. Other Options Considered

- 7.1 Do nothing– not an option as this service is a statutory service. The existing Agreement provides a cost effective and efficient way of delivering the services. Running a separate procurement exercise for each District and Borough for the collection and for the treatment and disposal would be inefficient and impractical from an operational perspective, as such this option has been discounted.
- 7.3 Extend existing arrangements:
The current Framework Agreement does not provide an option to extend beyond 31st March 2019.
- 7.4 In source services:

Staff within the District and Borough Councils do not have the necessary capacity, skills or experience to deliver the works, TUPE (Transfer of Undertakings (Protection of Employment) Regulations would apply as the work delivered through the framework by the contractor form the majority of their activity, however the 'Treatment as Disposal' element could not be insourced as this requires a permitted site with operational capacity and infrastructure.

- 7.5 Use other existing contracts outside of West Sussex:
The services delivered through this framework are localised, utilising any other framework would mean that the mileage is increased to achieve the removal of the clinical waste to a licenced transfer treatment and disposal site potential outside of the County.

8. Equality and Human Rights Assessment

There will be no material impact of the proposal on individuals or identifiable groups as the proposal is to replace an existing framework.

9. Social Value and Sustainability Assessment

A delivery point in West Sussex will result in increased employment in the County; it will also assist with a key sustainability principle of managing waste as close to the point of production as possible.

10. Crime and Disorder Reduction Assessment

No impact

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Appendices

None

Background papers

None