

<b>SUSTAINABLE GROWTH SCRUTINY COMMITTEE</b>	<b>Agenda Item No. 5</b>
<b>22 JUNE 2010</b>	<b>Public Report</b>

## **Report of the Executive Director – Strategic Resources and Commercial Services Director**

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### **UPDATE ON LOT 3, WASTE 2020 PROGRAMME – PETERBOROUGH CITY SERVICES – VARIOUS OPERATIONAL SERVICES**

#### **1. PURPOSE**

- 1.1 To keep Sustainable Growth Scrutiny Committee updated on developments relating to the Lot 3: Operational Services affecting Peterborough City Services (PCS).

#### **2. RECOMMENDATIONS**

- 2.1 To consider the report and the progress made to date.

#### **3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY AND LOCAL AREA AGREEMENT**

- 3.1 Many of the services provided by PCS are measured under the Comprehensive Area Assessment and Local Area Agreement.

#### **4. CONSTITUTIONAL:**

- 4.1 Since the Sustainable Growth Scrutiny Committee's meeting on 21 September 2009, Cabinet on 12 October 2009 agreed to the principles for inclusion, and the way forward, for PCS in the Lot 3 procurement which is one of the Lots included in the Waste 2020 Programme.

- 4.2 On 31 December 2009 the Deputy Leader and Cabinet Member for Environment Capital and Culture made a decision on the Lot 1: Energy from Waste Facility; Lot 2: Materials Recycling Facility and Lot 3: PCS Operational Services. With regard to Lot 3 specifically:-

- (a) The six bidders ranked as 1, 2, 3, 4, 5 and 6 referred to in the Exempt Annex to that Cabinet Member Decision Notice would be invited to participate in the competitive dialogue (outline solution stage) and the names of those bidders would be published;
- (b) Delegations were given to the Deputy Chief Executive and/or Executive Director – Strategic Resources (in consultation with the Deputy Leader and Cabinet Member for Environment Capital and Culture and where necessary the Solicitor to the Council and/or the Waste 2020 Project Board) to determine and action:-
- (i) any issues whether or a strategic, operational or other nature that may need resolution (including any that may cross departments of the Council) during the remaining procurement process to ensure effective and timely progress to be made; and

(ii) whether, and if so, how many, and which bidders, are to be selected to take through to the next stages of the procurement process (including invitation to submit detailed solutions, call for final tenders and preferred bidders).

(c) The final decision on which bidder is to be awarded the Lot 3 contract (as well as Lots 1 and 2) subject to the usual 10 day standstill period required by EU procurement law would be referred to the Deputy Leader to enable a further executive decision to be made by a Cabinet Member decision notice.

4.3 A decision has recently been made (in line with the 31 December 2009 delegations) on the numbers and names of the bidders that have been further shortlisted to go through to the next stage of the Lot 3 procurement (detailed solution stage).

4.4. Sustainable Growth Scrutiny Committee will continue to receive updates on the Lot 3 procurement.

## **5. PROCUREMENT:**

5.1 Members may recall that when an update was given to the January 2010 meeting of the Sustainable Growth Committee, the Council's evaluation team was then in the process of evaluating the outline solutions it had received from five bidders (one bidder having since withdrawn from the procurement during the outline stage).

5.2 During the evaluation process, bidders presented their respective outline proposals to a range of representatives which included the Deputy Leader and Cabinet Member for Environment Capital and Culture, Cabinet Member for Resources, Executive Director – Strategic Director, Head of Business Transformation, PCS Commercial Services Director, Unison, Unite and GMB and the Waste 2020 Programme Team (the latter being the evaluation team).

5.3 The Waste 2020 Programme Team has since concluded its evaluation of the outline solutions. As a consequence, the recent decision (referred to in paragraph 4. 3 above) was taken on the numbers and names of those bidders to go through to the detailed solution stage of the competitive dialogue.

5.4 The Commercial Services Director continues to engage with the PCS workforce and PCS shop stewards who were briefed simultaneously with the bidders being informed on the decision on the bidders going forward to the detailed solution stage.

## **6. NEXT STEPS:**

6.1 The bidders which have been shortlisted for the next stage of the Lot 3 procurement which been invited to submit detailed solutions (in alphabetical order) are:-

- Amey LG Limited;
- Enterprise Managed Services Limited;
- HW Martin Waste Limited;
- Veolia Environmental Services (UK) Limited.

6.2 The detailed solution stage is where the remaining bidders will submit their detailed proposals to the Council. Before they submit their detailed solutions, bidders will want to consider more intensively the details that relate the services included in the Lot 3 procurement. The competitive dialogue process enables the Council to continue to talk to bidders with a view to developing their detailed proposals. The Waste 2020 Programme Team will therefore continue to work closely with bidders on their detailed proposals to ensure they meet the Council's requirements.

6.3 The detailed solution stage is expected to be concluded so a decision can be made around October 2010 on which bidders will be shortlisted to take part in the final tender stage.

- 6.4 By the time that the Council calls for final tenders, the scope of the Lot 3 procurement will need to be firmed up on which of the Additional Services will remain in the Lot to be bid for alongside the Mandatory Services in the final tender round.
- 6.5 It is expected that a decision on awarding the contract will be around February 2011 with the partner commencing the services around April 2011.
- 6.6 At all stages of the Lot 3 procurement, it will be emphasised to bidders that the Council is looking to enter into a long term relationship with the successful partner to work in collaboration and true partnering style and that the Council wishes to receive bids that combine all the necessary qualities the Council is seeking from the procurement process.

## **7. WORKFORCE:**

- 7.1 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to those employees whose services are included in the Lot 3 contract.
- 7.2 During the outline solution stage all bidders have expressed their commitment to TUPE and to providing Admitted Body Status for transferring employees which are active members of the Local Government Pension Scheme at the time they transfer to the successful partner.
- 7.3 All bidders have previous experience of TUPE and have given assurances that they will work closely with the Council, its staff and the trade unions to ease the transfer process as much as possible.
- 7.4 There will be ongoing engagement with affected employees and the trade unions and formal consultation as appropriate.

## **8. IMPLICATIONS**

- 8.1 Any implications are set out in the report or will be resolved as and when they arise during the competitive dialogue process.

## **9. CONSULTATION**

- 9.1 There has been and/or will continue to be a range of other engagement and consultation which includes:-
- (a) Affected employees and trade unions:
    - consultation and update meetings will continue;
    - trade union involvement in the bidders' outline presentations;
    - formal consultation under TUPE at the appropriate time.
  - (b) Members:
    - the Deputy Leader and Cabinet Member for Leisure, Culture and Strategic Commissioning will continue to hold his informal briefings for Council Members;
    - updates to the Sustainable Growth Scrutiny Committee and the Waste and Recycling Task and Finish Group will continue;
    - updates in the Members Bulletin will continue.
  - (c) Stakeholders including:
    - Neighbourhood and Parish Councils;
    - Leisure Trust;
    - Local Schools;
    - other Council directorates.
  - (d) Press coverage to ensure that the public is informed and updated on developments.
  - (e) Staff within the wider Council.

**10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

Contract notice published in the Official Journal of the European Communities