

DECISION TITLE: Food Waste Treatment Services Contract Award
ENTER NAME OF CABINET MEMBER EXERCISING DELEGATED POWERS: Councillor Marco Cereste, Cabinet Member for Waste, Street Scene and Environment
ENTER MONTH IN WHICH DECISION IS BEING TAKEN: February
Deadline date: 24th February 2020

Cabinet portfolio holder: Responsible Director:	Councillor Marco Cereste, Cabinet Member for Waste, Street Scene and Environment Steve Cox, Executive Director of Place and Economy
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/23DEC19/05
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES
Is this a project and if so has it been registered on Verto?	NO Verto number: n/a

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Approve the Award of the contract to Severn Trent Green Power (STGP) for the treatment of Food Waste collected by Peterborough City Council (PCC) for an initial period of 5 (Five) years, with an option to extend for up to a further 3 (Three) years. The total value of the contract is £542,432 over the 8 year contract term.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Cllr Marco Cereste to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (a)
- 1.2 There is an exempt annex attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains commercially sensitive information. To release the information in the annex could jeopardize future contract procurements for the Council and future competition for the bidders.

2. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	n/a
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3. **BACKGROUND AND KEY ISSUES**

- 3.1 This report seeks approval from the Cabinet member to award the contract for Transport and Treatment of Food Waste for a period of 5 (Five) years from 1st April 2020, with an option to extend for up to a further 3 (Three) years. This report contains one exempt annex which provides the results of the evaluation and the reasons for the scoring.

Provision of this service is part of the council's statutory duty pursuant to its Waste Disposal Authority function and it is not permissible to fail to make adequate provision for the treatment of Food Waste from households in the Peterborough Authority area.

A compliant procurement process has been undertaken in accordance with the Public Contracts Regulations 2015 and the Council's Contract Rules.

The requirement was advertised and published through the Official Journal of the European Union (OJEU) and Contracts Finder on 27 November 2019. Three tender submissions were received. The award criteria used to evaluate the tender submissions was Quality 30% and Price 70%. The evaluation was undertaken by members of the Waste team who undertook the evaluation of the four quality questions independently followed by a moderation process to agree a consensus score for each of the questions for each of the bidders. The tender submissions were then evaluated on price and a combined quality and price score attributed to each bidder.

Following the evaluations it is recommended that the Contract be awarded to the highest scoring bidder, Severn Trent Green Power Ltd, who provided the most economically advantageous tender.

4. **CONSULTATION**

- 4.1 Consultation has been undertaken with the relevant internal departments and the council's procurement partner Serco has been fully engaged in the procurement process.

5. **ANTICIPATED OUTCOMES OR IMPACT**

- 5.1 In the event the recommendation is approved, there would be a number of outcomes, including:

- (i) the continued delivery of this very important service to Peterborough residents; and
- (ii) compliance with the statutory duty to provide a waste treatment service.

6. **REASON FOR THE RECOMMENDATION**

- 6.1 The Council has a statutory obligation to treat household collected food waste from Peterborough residents so they can dispose of food waste free of charge. This obligation is imposed on the Council under the Environmental Protection Act 1990.

The current contract for the treatment of food waste with the current supplier comes to an end on the 31st March 2020.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 Do nothing and have no food waste treatment contract in place, this would result in all the food waste being sent for disposal at the Energy Recovery Facility with an increased cost of £415,000 per annum based on predicted tonnages.

8. IMPLICATIONS

Financial Implications

- 8.1 The existing revenue budget provision for the treatment of the food waste is £176k per annum, in 2020/21 the budget required to treat the food waste will be reduced to £61k, increasing with indexation each year to a total of £542,432 over the full 8 year contract term. This brings a saving of £115k per annum based on predicted food waste tonnages for 2020/21, this is due to reduced costs of treating the food waste.

Legal Implications

- 8.2 A contract must be in place in order for the Council to fulfil the legal requirement under the Controlled Waste (England and Wales) Regulations 2012 (CWR) and the Environmental Protection Act 1990 (EPA) to arrange free disposal of waste from householders. The process by which this contract has been procured and awarded to Severn Trent Green Power Ltd is compliant with the Public Contracts Regulations 2015.

Equalities Implications

- 8.3 There are no identified equalities implications.

Carbon Impact Assessment

- 8.4 It is anticipated that this will have a neutral carbon impact because procurement of the contract is required to ensure the optimum treatment technology is used for Food Waste and to ensure there is no negative carbon impact as a result. Whilst this contract will increase travel, compared to the current scenario, we anticipate that this will be mitigated by the increase in facility efficiency and additional measures detailed to reduce the carbon emissions. This will be monitored as part of the contract.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 N/A

10. BACKGROUND DOCUMENTS

- 10.1 N/A

11. APPENDICES

- 11.1 EXEMPT Appendix 1 – Tender Details