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Aragon Direct Services Providing PCC Trade Waste
Councillor Marco Cereste , Cabinet Member for Waste, Street Scene and the Environment
October 2020
Deadline Date: November 2020

Cabinet portfolio holder	Councillor Marco Cereste, Cabinet Member for Waste, Street Scene and the Environment
Responsible Director	Steve Cox – Executive Director Place and Economy
Is this a Key Decision? If yes has it been included on the Forward Plan	Yes Yes Forward Plan Reference: KEY/26OCT20/03
Is this decision eligible for call-in?	Yes
Does this Public report have any annex that contains exempt information?	No
Is this a project	Yes

RECOMMENDATIONS
The Cabinet Member for Waste, Street Scene and the Environment is recommended to: <ol style="list-style-type: none">1. Approve the award of the Peterborough City Council (PCC) trade waste contract to Peterborough Limited trading as Aragon Direct Services (ADS) for a period of 9 years with a mutual break clause at year 5.2. Approve the amendment of the Operational Services Agreement (OSA) between PCC and Peterborough Limited to include trade waste in accordance with the OSA's contractual Additional Services procedure.3. Delegate authority to the Director of Law and Governance in Consultation with the Corporate Director, Resources and the Executive Director Place and Economy to effect the matters referred to above.

1. SUMMARY OF MAIN ISSUES

- 1.1. This report outlines the details needed for approval to award ADS the PCC trade waste contract, which includes the collection of residual, dry mixed recycling and food waste from all PCC buildings.

2. PURPOSE AND REASON FOR REPORT

- 2.1 This report is for the Cabinet Member for Waste, Street Scene and the Environment 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).
- 2.2 The purpose of this report is to seek approval to award ADS the contract to collect and dispose of the PCC's trade waste.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1 The collection of the PCC trade waste is currently with a third party however until the end of November 2020, as part of the ADS business plan it was proposed to bring this within their core business to allow them to further build on wider commercial services for Peterborough Businesses.
- 4.2 As per Schedule 5 of the Operational Services Agreement with ADS they have set out their business case for delivering these services for PCC, detailing how they propose to collect each waste stream and dispose of it. The business plan sets out how they will satisfy PCC that all waste collected will be recorded and disposed of as trade waste and not included in the statistics for household waste within the City.
- 4.3 ADS will procure and deliver receptacles for waste collection to each of the PCC sites and aim to have these delivered within one month of being notified of the contract award.
- 4.4 The majority of sites will have trade waste collections on a Monday when ADS are not carrying out household waste collections. Those sites that have been notified as needing a more frequent collection, will be scheduled in around the household waste collections with clearly defined weights per collection. PCC requires clearly defined weights to enable it to comply with its statutory duty to accurately report on the amounts of Household Waste disposed of.
- 4.5 It is proposed that ADS will fulfil this contract for a period equal to the remainder of the term of the OSA which is due to end in 2029. There will be a mutual break clause included at the end of year 5 and the delivery of this service will be monitored by the PCC Client team to ensure it is performing in line with the specification. The monitoring will be done through contract KPI's and these will be additional to the current KPI's in place with ADS, they will ensure service standards remain high and monitor and failure in collection of Trade Waste from PCC premises.

5. CONSULTATION

- 5.1 No external consultation is required.
- 5.2 Internal consultation with PCC officers has been carried out to show best value. The current trade waste contract was competitively tendered and at the time it was the lowest price while also offering a high-level of service. ADS have been able to offer the same level of service at a marginally cheaper price than the incumbent. It is also recognised that any profits made by ADS come back to the Authority.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 If approved, ADS will procure the new waste receptacles and commence the PCC trade waste collections. Following this they will use this as a foothold to further a commercial trade waste offering to the rest of the City.

7. REASON FOR THE RECOMMENDATIONS

- 7.1 ADS is a Local Authority owned company and as such any profits made come back to the Authority, ADS have produced a specification and quote to carry out the trade waste work for PCC both at a competitive price and also to the high level of service we require. It is also noted that by awarding this work to ADS they can further build on their trade waste offering across the City.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 It was considered to not award ADS the PCC trade waste and look to re tender these services however the ADS business case offers good value for PCC but also the opportunity to further income generation moving forwards.

9. IMPLICATIONS

Financial Implications

- 9.1 The collection and disposal of PCC trade waste will be a variable fee based on the number of bins that require collection it will also fluctuate as PCC premises are either removed or added. A comparison has been made with the previous trade waste tender to ensure value for money is being offer by ADS.

Legal Implications

- 9.2 Peterborough limited is a “Teckal” compliant company (advice is detailed in KEY/11JUN18/04 – Link found in background documents) and thus is exempt from needing to compete with other companies under procurement legislation for works and services supplied to the Council.
- 9.3 Peterborough Limited is a contracting authority for the purpose of the Public Contracts Regulations 2015 – a body governed by public law. The Company is therefore bound to comply with these Regulations.
- 9.4 The OSA’s contractual Additional Services process provides for additional services to be added to the OSA during its term.

Equalities Implications

- 9.5 There are no negative equalities implications.

HR Implications

- 9.6 None at this time

Carbon Impact Assessment

- 9.7 Both positive and negative impacts: There is the potential for mileage to increase as a result of this decision however this will be mitigated by ensuring the new locations are aligned with existing domestic routes where possible; additional collection of material to be treated at the ERF will increase renewable energy generation.

10. BACKGROUND DOCUMENTS

- 10.1 None.

11. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

11.1 None.

12. APPENDICES

12.1 None.