

Record of operational decision

Decision title:	Waste Collection – Short term extension to existing waste collection contract
Date of decision:	28 th September 2023
Decision maker:	Corporate Director Economy and Environment
Authority for delegated decision:	<p>The Cabinet decision dated 21 July 2022 – ‘Procurement of new waste collection service’ authorises the following recommendations:</p> <p style="padding-left: 40px;">d) Authority is delegated to the Director of Resources and Assurance and the Corporate Director Economy and Environment following consultation with the Cabinet Member for Assets to negotiate an extension to the existing waste collection contract with FCC Environment until 3 June 2024, subject to securing Value for Money, in order to mitigate the risk of vehicle procurement lead times and to ensure an effective mobilisation period for the new waste collection service;</p> <p>The decision and report can be viewed using the link below https://councillors.herefordshire.gov.uk/documents/s50102484/Procurement%20of%20new%20waste%20collection%20service.pdf</p> <p>Subsequent sub-delegation occurred in September 2023 and the bespoke delegation EP84 updated where the Corporate Director, Economy and Environment has been authorised as the Senior Responsible Officer for Waste to take this decision.</p>
Ward:	Countywide
Consultation:	<ul style="list-style-type: none"> • Cabinet Subgroup • Cabinet Member for Environment & Planning • Cabinet Member Community Services and Assets • Waste Strategy Project Board • Executive Programme Board • Corporate Director - Economy & Environment • Delivery Director – Environmental Transformation, • Head of Environment, Climate Emergency & Waste • Waste Services Manager • Waste Transformation Lead • Head of Strategic Finance (Deputy S151 Officer) • Strategic Finance Manager - Financial Planning & Analysis • Senior Finance Business Partner
Decision made:	To extend the current waste collection service with FCC Environment until June 2024, and use the option to extend until 31 August 2024 in order to provide additional time required to complete and mobilise the future waste collections contract.
Reasons for decision:	<ul style="list-style-type: none"> • On 25 November 2021, Cabinet approved the adoption of the three weekly residual collections with twin stream recycling service as the new waste collection model to support residents to increase recycling. •

	<ul style="list-style-type: none"> • This model was the preferred option from the public consultation, offered the best value for money, delivered the highest modelled recycling rates and was the lowest carbon option. • On 21 July, Cabinet approved the procurement of the new service subject to finalisation of the service specification and to negotiate a short-term extension to the existing waste collection contract to mitigate the risk of vehicle procurement lead times and the mobilisation period. • The re-procurement process is currently live and the new service is due to commence in summer 2024. • The new waste strategy and waste collection model is strongly aligned to the future requirement within the Environment Act 2021. • Following the Royal Assent of the Environment Act 2021, there have been significant delays in secondary legislation. This has resulted in delayed government confirmation and the resulting New Burden contributions required enabling the introduction of the new requirements. • A deed of Variation has been agreed with our current provider, FCC Environment, to extend the current collection service until July 2024, with a further option to extend to 31st August 2024.
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<ul style="list-style-type: none"> • Specialist external technical and legal advice has been provided by WSP and DWL Law in consultation with HC Legal & Financial Services • This extension is critical to ensure the continuation of the waste collection service during the procurement and mobilisation for the new service as the lead times for new refuse collection vehicles is currently 9-12 months. • The extension of the contract will be based on the same contractual terms as the current contract <ul style="list-style-type: none"> ○ This will be in line with the same pricing and billing mechanism as the current contract ○ There is a cap and collar arrangement only on fuel and there is an agreement that we will evaluate this part of the payment mechanism based on fuel cost and usage prior to the 3 months before to November 2023; financial impact is unclear until this is completed ○ A vehicle condition survey is a requirement to the extension to protect both contractor and the council and is to be completed before the start of the extension to the contract • The deed of variation has been developed and signed off with Internal Legal & Finance. • The proposal re changes to bank holiday collection has been reviewed by the Portfolio holder for Environment and has not been included in the specification of the extension to extend the current collection contract. • Whilst deliverable, the current procurement timetable for the new waste collection contract is challenging and a business case for further resources is being developed to ensure delivery and to de-risk the programme.
<p>Details of any alternative options considered and rejected:</p>	<ul style="list-style-type: none"> • Do nothing - This is not an option as the current waste collection arrangements are due to expire. • A further long term extension to the current collection arrangements – this has been rejected as this is not in line with the Council’s contract procedure rules.
<p>Details of any declarations of interest made:</p>	<p>N/A</p>

