

DIRECTORATE

Environment: Neighbourhood Services

SUBJECT

Waste Collection Logistics Optimisation Project & Carbon Management Plan Review

DECISION²

This is not a key decision because capital and revenue expenditure is less than the thresholds of £1,000,000 and £500,000 respectively and it will not significantly affect two or more wards.

SUBJECT TO CALL-IN : YES

It is recommended that the Portfolio Holder:

- (a) Agree that the Council engages Entec UK Limited to deliver the Waste Collection Logistics Optimisation Project as detailed in its June 2010 Final Proposal. The cost of this review is estimated to cost £50,000 and will not exceed £70,000, although this depends upon the options selected.
- (b) Agree that the Director for Neighbourhood Services be authorised to select options on both pieces of work within the authority levels set out herein in order to best achieve the Council's objectives in this area and to execute contractual documents approved by Legal Services to affect these decisions.

OPTIONS CONSIDERED

Do Nothing

If we did not engage Entec UK Limited to deliver the Waste Collection Logistics Optimisation Project the long term opportunities in terms of learning, development and costs savings would not accrue. Additionally an optimised waste collection service will both maximise the efficiency and lower the environmental impact of the service.

In-house

It is not believed that the Council has the necessary capacity and expertise to conduct this work in-house within the required timeframes.

11.7 AUG 2010

10.30am

REASONS FOR DECISION(S)

Background

The Council intends at all times to have an efficient and optimised waste collection system. Two strategic options have been selected by the Council to achieve targeted savings. To make such savings, potential longer term scenarios need to be modelled to understand current activity, develop a preferred way forward and refine that into operationally practical rounds. The implementation of these will allow for the targeted savings to be realised.

Process

The procurement process followed was via the Office of Government Commerce (OGC). Due to ongoing support being provided to the Council on the Waste to Energy plant at Eastcroft procured through a compliant procedure Entec UK Limited the Council's requirements covered herein can be included within existing OGC terms and conditions and the favourable initial rates secured via the OGC. Due to the Council's use of the relevant OGC framework, the Council is assured that this procurement process complies with all relevant rules and regulations. Selecting a supplier from the OGC framework in the manner carried out is permissible. A simple variation agreement will need completion.

Summary

The Council's requirements have been clearly stated and have been understood and met by Entec UK Limited via a compliant procurement exercise.

AFFECTED WARDS

All wards

THE DECISION IS NOT VALID UNTIL PUBLISHED BY COMMITTEE SERVICES. THIS FORM SHOULD BE SENT TO COMMITTEE SERVICES WITHIN 2 WORKING DAYS OF LAST SIGNATURE.

PLEASE REFER TO SEPARATE DETAILED GUIDANCE ON THE INTRANET (COMMITTEE ONLINE) ON HOW TO COMPLETE THIS FORM BEFORE SUBMITTING TO DECISION TAKER.

ADVICE SOUGHT

	Yes	No
Legal	Y	
Finance	Y	
Human Resources		N
Equality and Diversity		N
Other (please specify)		N

DECLARED OFFICER/ ⁴ MEMBER INTERESTS

None

DISPENSATION BY STANDARDS COMMITTEE

DATE:	DISPENSATION REF:
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BACKGROUND PAPERS ⁵

None

YES

REASON FOR EXEMPTION AND PUBLIC INTEREST TEST

This Portfolio Holder Decision Form is exempt from publication under paragraph 4 of Schedule 12A to the Local Government Act 1972 because it contains information relating to consultations or negotiations or contemplated consultations in connection with a labour relations matter arising between the Council and employees of the Council and having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The labour relations matter in question involves the optimisation of the Council's waste collection service.

It is not in the public interest to disclose this information because only (i) a small number of persons are affected; (ii) there is nothing within the report that would assist public understanding of an issue subject to national or parliamentary debate; and (iii) the results of this work might contribute to local debate but the fact of the work being carried out will cause premature concern.

To deliver strategic
choice savings set at
L 09/10 budget process
118/152 and 118/233
agreed as part of
the budget. Recast
11/8/2010

saving is £430,000

DETAILS OF CONSULTATION
UNDERTAKEN⁶

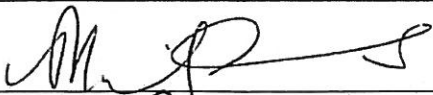
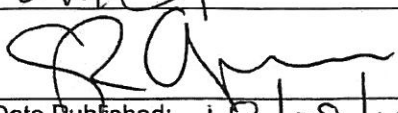
	Yes	No	N/A	Name and Date
Executive Member	Y			Cllr Bull 5/7/10
Ward Councillors			N/A	
Area Committee			N/A	
Other Council Bodies			N/A	
Corp. Directors Affected	Y			C Mills-Evans 2/7/10
Trades Unions			N/A	
Others (Specify)			N/A	
<u>Reasons for not consulting</u>				
Others are not directly affected.				

CONTACT PERSON

Antony Greener

CONTACT NO 0115 91 52235

AUTHORISED SIGNATORY⁷

CHIEF OFFICER:		DATE: 11. 8. 2010
PORTFOLIO HOLDER(S):		DATE: 12. 8. 2010
Date Published: 18/08/10		Last Date for Call-in: 25/08/10
RELEVANT OVERVIEW AND SCRUTINY SELECT COMMITTEE Updated 09/06/08 REGENERATION + SUSTAINABILITY SELECT COMMITTEE		

This Portfolio Holder Decision Form is exempt from publication under paragraph 4 of Schedule 12A to the Local Government Act 1972 because it contains information relating to consultations or negotiations or contemplated consultations in connection with a labour relations matter arising between the Council and employees of the Council and having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The labour relations matter in question involves the optimisation of the Council's waste collection service.

Background

Strategic choice savings are required with regards to efficiency of refuse collection. Entec are retained by the Council to advise on Eastcroft CAPEX (Capital Expenditure) works under the OGC Framework agreement.

Entec have previously undertaken work on behalf of the Nottinghamshire authorities regarding waste collection logistics through an East Midlands Centre of Excellence funded programme and hold a lot of Nottingham logistics data. They are an obvious choice to model the efficiencies required as identified in the strategic choice and there is budget provision for this work to be carried out within the Medium Term Financial Plan.

Negotiation with Entec has enabled the authority to secure consultancy rates under the terms of the existing OGC framework contract and therefore offers considerable cost savings compared to standard consultancy rates. Procuring Entec to undertake this work will require a variation to the existing contract to be agreed.

Portfolio Holder approval is required as the total value of work placed with a single consultancy under a single contract may exceed the financial threshold of £50,000 stated in financial regulations.

Financial Comments:

Portfolio holder approval is required to seek dispensation from Financial Regulations by awarding the outlined work via a framework agreement rather than through a formal tender process. Budgetary provision for the round optimisation aspect was approved at Executive Board in Feb 2010 as an 'Invest to Save' item in the Corporate Budget Process.

Jim Driver – Finance Service Partner.

Legal Comments:

As this procurement has been undertaken through the OGC framework the format of the contract documentation is largely settled. Legal Services have already been engaged in finalising the draft contract in anticipation of formal approval for this project being given.

Malcolm Townroe – Legal Services Manager

THIS AGREEMENT made on the day of 7th June 2010

BETWEEN:

- (1) **ENTEC UK LIMITED** a company incorporated in England and Wales (company number 2190074) and having its registered office at Northumbria House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3PX (the "**CONTRACTOR**")
- (2) **NOTTINGHAM CITY COUNCIL** of The Guildhall, Burton Street, Nottingham, NG1 4BT (the "**CUSTOMER**")

WHEREAS:

- (A) On the 26th March 2009 the CUSTOMER and CONTRACTOR entered into the Original Agreement in relation to Schedule 15 Contract in relation to EFW Technical and Commercial Advisor Role.
- (B) On the 28th June 2010 the CUSTOMER placed an Order with the CONTRACTOR for the provision of the Additional Services.

IT IS HEREBY AGREED as follows:

1 Definitions and Interpretation

- 1.1 Words and expressions defined in the Original Agreement shall have the same meaning when used in this Agreement unless the context otherwise requires.
- 1.2 This Agreement is supplemental to the Original Agreement.
- 1.3

Additional CUSTOMER's Requirements	shall mean the CUSTOMER's requirements relevant to the Additional Services, as described in Waste Collection Logistics Optimisation Project – Final Proposal dated June 2010; Doc Reg No. 27937n00il, a copy of which is annexed to this Agreement marked Annex 1.
Additional Services	shall mean the additional services to be provided by the CONTRACTOR as described in the CONTRACTOR's Proposals dated Waste Collection Logistics Optimisation Project – Final Proposal dated June 2010; Doc Reg No. 27937n00il, a copy of which is annexed to this Agreement marked Annex 2.
Original Agreement	shall mean the PCS Framework Agreement, Schedule15 Contract in relation to EFW Technical and Commercial Advisor Role.

2 Schedule 15.2 – CUSTOMER's Requirements

Schedule 15.2 – CUSTOMER's Requirements, of the Original Agreement shall be amended by inserting the following as a third paragraph:

"The Additional CUSTOMER's Requirements are as described in the CUSTOMER's e-mail 18th December 2009 @ 10:19 am (send from Entec David Pugh confirming meeting details)."

3 Schedule 15.3 – The Services and the Contract Charges

Schedule 15.3 – The Services and the Contract Charges, of the Original Agreement, shall be amended by the following:

3.1 Under the heading "THE SERVICES" add the following as a second paragraph:

"The Additional Services are as described in the CONTRACTOR's Proposals dated June 2010 reference Waste Collection Logistics Optimisation Project – Final Proposal; Doc Reg No. 27937n00il"

3.2 Under the heading "THE CHARGES" add the following as a second paragraph:

"The CONTRACTOR's charges for the Additional Services are set out in the CONTRACTOR's Proposals dated June 2010 reference Waste Collection Logistics Optimisation Project – Final Proposal; Doc Reg No. 27937n00il"

4 Schedule 15.4 – Key Posts and Contact Details

Schedule 15.4 – Key Posts and Contact Details shall be amended by the following:

4.1 The key personnel and contact details for the CUSTOMER in respect of the Additional Services shall be:

Antony Greener, Waste and Energy Strategy Manager.

Nottingham City Council, London Road, Nottingham, NG2 3AH.

Mobile: 07943 824 269

4.2 The key personnel and contact details for the CONTRACTOR in respect of the Additional Services shall be:

David Pugh, Senior Consultant.

Entec, Gables House, Kenilworth Road, Leamington Spa, Warwickshire, CV32 6JX.

Tel: 01926 439 106 (Direct): Mobile: 07792 623 074

pughd@entecuk.co.uk

4 General Provisions

4.1 The terms of the Original Agreement shall continue in full effect as amended by this Agreement.

4.2 The amendments to the Original Agreement made by this Agreement shall take effect from and include the date of this Agreement.

AGREED by the CUSTOMER and CONTRACTOR through their authorised signatories:

For and on behalf of the Nottingham City Council

Signature.....

Name (print).....

Date.....

For and on behalf of Entec UK Limited

Signature.....

Name (print).....

Date.....

ANNEX 1
(The Additional CUSTOMER's Requirements)

See proposal June 2010.

Use of Consultants Approval Form

Project Title	Waste Collection
Service Area & Department	City Services/Neighbourhood Services
Head of Service	Phil Matley

Description of the Project (including why the project is necessary)	To implement strategic choices 118/152 Waste Collection – efficiency savings 118/233 Introduction of four day week
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Identifying the Need

Before considering the use of consultants, the possibility of using alternative resources should first be explored. The following are possible reasons for considering the use of external consultants:

- Specialised knowledge or expertise is required, which is not available from in-house sources or partner organisations.
- There is a lack of in-house capacity to undertake the project

Alternative Options Considered	The specialist route optimising software is not available in-house and there is insufficient in-house capacity to undertake.
Reason for Using a Consultant	Available under former OGC framework agreement as an extension to current work at a rate used in the framework. Have necessary knowledge and software.

Appointment of Consultant

A formal agreement should be completed for each project, containing detailed responsibilities, prior to commencement of any work

Name of Consultant Selected	ENTEC UK Ltd
Reason for selection.	Engaged under OGC framework for current project and able to carry out as Variation order.
Has the consultant previously completed work for NCC? Date(s)?	Yes – currently supporting work at the Incinerator originally commissioned November 2008, work ongoing.
Value £ What was the outcome?	£15,000 p.a. (jointly funded by Notts County Council)

Specific Activities to be undertaken by Consultant

- Build on as-is model of waste collection in NCC and sign off.
- Design new rounds – quick win design/4 day working/additional scenarios
- Deliverables – new rounds.
- Project management

Period of Engagement	June 2010 to December 2010
Key Outcomes to be Achieved	Re-arrange rounds 118/152, reduction of 2 rounds. 4 day working week 118/233 reduction of 2 rounds.
Key Deadlines & Milestones to be Achieved.	118/152 to be implemented from 1 st April 2011. 118/233 to be implemented from September 2011.
Anticipated Cost (£) (Basis of calculation, e.g. fixed fee, hourly rate, delivered benefits)	Core element £49,990 (ex vat) Additional analysis up to £25,010 (ex vat) Based upon scenario models £3,000-£5,000 each, sensitivity analysis £2,000-£5,000 each.
Source of Funding	Invest to save – strategic choices 118/233 2010/11 £50,000, 2011/12 £25,000.
Budget code	CDR3514-63305

Project management Arrangements
APPROVAL OF RELEVANT OFFICERS (Procurement must also comply with Financial Regulations)

Head of Service *[Signature]* Date 15/6/2010
 Corporate Director *[Signature]* Date 15/6/2010
 Chief Finance Officer's Representative *[Signature]* Date 22/6/2010
 Portfolio Holder (required if cost greater than £50k) Date

Evaluation / Post Project Review

Analysis of outcomes anticipated against those actually achieved	Outcomes Anticipated:		Outcomes Achieved:
Was the project delivered within the agreed timescales?	Start date:		
	End Date:		
Was project delivered within the approved budget?	Original Estimate:	£	
	Actual Cost:	£	
Reason for any budget variation			
Was the quality of work satisfactory?			
Description of any problems, including in-house project management			

Evaluation completed by:

Date: