

Time Line for Proposed Procurement Process

Contract let by Hampshire County Council

This would involve Hampshire County Council (HCC) tendering for the operation of all 26 HWRC sites in Hampshire including the Southampton City Council (SCC) City Depot HWRC site.

HCC will be able to incorporate any specific contract variations that SCC require by letting a contract that allowed operational site variations to be easily incorporated. This would be a 24 (HCC) + 1(SCC) + 1 (PCC - Portsmouth City Council) contract.

HCC's outline time line for contract award is as follows:

item	date
Supplier market engagement	complete
Tender specification	complete
PQQ (Pre-qualification questionnaire)	complete
PQQ evaluation complete – 6 bidders for contract	complete
Submission of ISOS (Invite to submit outline solution)	16 April 2015
Completion of ISOS evaluation and reduce number of bidders from 6 to 3	15 May 2015
Dialogue sessions	15 June 2015 to 21 August 2015
Submission of ISFT (Invite to submit final tenders)	08 October 2015
Completion of ISFT evaluation	06 November 2015
Preferred bidder identified	09 November 2015
Contract Mobilisation	09 December 2015
Contract Start	01 April 2016

The core service provision will be as set out in a detailed specification and will not be open to dialogue. The areas for dialogue will be those areas where the contractors have experience and specialist knowledge that would bring both financial and service added value to the HWRC operations.

The areas for dialogue are as follows;

- Increasing the range of materials that can be recycled, such as carpets and mattresses, to maximise landfill diversion thereby reducing costs;
- Working in partnership with the voluntary sector to maximise the amount of material that can be diverted to reuse;
- The option of accepting business waste from SMEs (Small and Medium Enterprises) at the HWRC to help them increase opportunities to recycle their waste. This would be for a reasonable charge generating the Council an income stream and maximise the use of its HWRC site whilst minimising any impact on the public;

- Working with Portsmouth and Hampshire on developing a range of options for residents who are looking to deliver in large amounts of DIY type wastes as detailed below.

DIY Type Waste

The Council currently accepts small amounts of DIY waste, such as soil / rubble and plasterboard from residents carrying out minor household alterations. However residents who carry out larger type DIY jobs themselves are finding that this material is expensive to dispose of via commercial waste disposal sites. The quantities they have are too large for the HWRC sites to currently accept.

The dialogue process will look at examples of best practice elsewhere in the UK where other authorities have started to offer facilities at their HWR sites for residents to recycle larger quantities of DIY type wastes. The services offered provide residents with an easier to use and cheaper method of recycling material from larger DIY type jobs than commercial outlets. In these cases the Councils have levied a small charge for the management of these types of material.

Soil / rubble and plasterboard are not classified as household type wastes and so the Council is under no obligation to accept these at its HWRC sites.

It will be up to the Council as to which of the above options, being evaluated under competitive dialogue, it wishes to take forward for its City Depot HWRC site.

Contract Term

The Contract duration will be 14 years and 9 months until 31 December 2030 and will include a performance related break clause at the end of year 7. This will bring the HWRC contract end date in line with the end date for the main waste disposal contract with Veolia.

The contract requires that management costs are split up into two areas as follows:

- Central management charges for head office functions;
- Individual site management and staff costs.

This will mean the Council being recharged actual site costs plus a percentage of central management charges; this gives flexibility for individual sites to operate in different ways.

A joint contract would allow for economies of scale with the contractor able to discount costs based on the operation of 26 sites.

Southampton City Council Stand Alone Contract

A stand-alone contract was considered but would be difficult to operate due to the integrated nature of the waste management arrangements between SCC, PCC and HCC. The disadvantages of a separate management contract would be:

- Not benefit from economies of scale of a joint contract;
- Require SCC to cover costs associated with procurement;
- Require a greater level of contract management by SCC;
- Would be difficult to integrate into the current HWRC and disposal contract management arrangements.

The new contract has flexibility to allow SCC to operate the City Depot HWRC in a way that best suites its needs within the framework of the HCC contract.