

**EXECUTIVE
 5 NOVEMBER 2019**

PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)

Councillors Mrs P A Bradwell OBE (Executive Councillor for Adult Care, Health and Children's Services) (Deputy Leader), R G Davies (Executive Councillor for Highways, Transport and IT), E J Poll (Executive Councillor for Commercial and Environmental Management), C N Worth (Executive Councillor for Culture and Emergency Services) and B Young (Executive Councillor for Community Safety and People Management)

Councillors C R Oxby (Vice-Chairman of the Environment and Economy Scrutiny Committee) and R B Parker (Chairman of the Overview and Scrutiny Management Board) were also in attendance.

Officers in attendance:-

Les Britzman (Chief Fire Officer), John Coates (Head of Waste), James Drury (Executive Director Commercial), Cheryl Evans (Democratic Services Officer), Glen Garrod (Executive Director - Adult Care and Community Wellbeing), Nicole Hilton (Assistant Director - Communities), Heather Sandy (Interim Director of Education) and Nigel West (Head of Democratic Services and Statutory Scrutiny Officer).

34 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C J Davie and Mrs S Woolley and Debbie Barnes OBE (Head of Paid Service), Andrew Crookham (Executive Director – Resources) and Andy Gutherson (Executive Director – Place).

It was noted that Nicole Hilton (Assistant Director – Communities) was attending the meeting on behalf of Andy Gutherson (Executive Director – Place).

35 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interest.

36 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

There were no announcements.

**37 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON
1 OCTOBER 2019****RESOLVED**

That the minutes of the meeting held on 1 October 2019 be signed by the Chairman as a correct record.

38 COUNTY MIXED DRY RECYCLABLES PROCUREMENT

Consideration was given to a report from Andy Gutherson (Executive Director – Place), which sought approval for the procurement of a new mixed dry recycling (MDR) contract commencing on 1 July 2020.

Approval was also sought for a short extension to the existing arrangements to enable an advantageous procurement process and ensure a suitable transition to a new service, if necessary.

The Head of Waste advised that the proposed contract term, scope and pricing mechanism reflected market intelligence, which had been gained through research on commercial operators and their views on the current sector-wide challenges in the market. These were detailed in paragraph 3 of the report. The outcome based specification would allow bidders to offer their best technical proposal to increase the quality and quantity of recyclates that could be recovered through their processes.

The report to the Executive explained that up to June 2019 MDR had been undertaken by Mid UK Recycling Limited, on a contract due to expire in March 2020. Following Mid UK Recycling Limited being put into administration, the contract had been awarded through an urgent decision to New Earth Solutions (West) Limited, with the staff and assets from Mid UK having transferred to the new contractor.

The Executive sought assurances on the content of the proposed contract and during discussion the following points were made:

- Reference was made to the procurement process and contract documentation including appropriate due diligence to avoid a repeat of the circumstances where the Council's MDR contractor could fail financially.
- The Executive was advised that the contract would include provisions to share the benefits and risks between the Council and contractor in case of any future changes in legislation.
- The procurement process would involve robust financial evaluation to ensure the viability of potential contractors and the Council had learned from the experience of the previous contract.
- The proposed contract term of five years, plus one year, plus one year, had been based on the feedback received from the market research.
- The contract would include performance management via key performance indicators, with penalty clauses and 'step-in' clauses for any instances of poor performance or service failure.

- Where proposed decisions on the procurement of contracts of this magnitude were considered, the Executive would require the attendance of specialised contract officers to provide the relevant detail.

The Vice-Chairman of the Environment and Economy Scrutiny Committee advised that on 22 October 2019, the Committee had considered and supported the recommendations in the Executive report on *County Mixed Dry Recyclables Procurement*.

In addition, the Committee had highlighted the following points for further consideration as part of the procurement process:

- Further consideration should be given as part of the procurement to reduce the carbon footprint arising from the haulage of mixed dry recyclables.
- There was support for the development of more localised infrastructure for MDR. The Committee had also highlighted the benefits of building and operating a materials recovery facility (MRF), either directly or via a contractor, and highlighted this as a future aspiration for greater commercialisation.

The Executive concluded that the MDR procurement exercise would be agreed in principle, subject to the Leader of the Council and two other members of the Executive being assured on the detail of the contract terms. It was also concluded that the decision on the award of the contract would be made by the Executive.

RESOLVED

- (1) That approval be given, in principle, to the procurement of a contract for the collection from Council designated collection points, haulage and processing of mixed dry recyclates collected from the kerbside by Lincolnshire waste collection authorities to commence on 1 July 2020 with a duration of five years with the ability to extend for two periods of one year to a maximum duration of seven years, subject to assurances being given to the Leader of the Council; Councillor E J Poll and Councillor B Young regarding the terms of the contract.
- (2) That approval be given to an extension to the existing interim contract with New Earth Solutions (West) Limited for a period of three months to expire on 30 June 2020;
- (3) That the Executive Director – Place be delegated, in consultation with the Executive Councillor for Commercial and Environmental Management, authority to the taking of all decisions necessary to progress the procurement up to but not including the award of the contract.

The meeting closed at 11.20 am.