

	<p style="text-align: center;">FULL COUNCIL 27th November 2006</p> <p style="text-align: center;">Report from the Director of Environment and Culture</p>
<p>For Information</p>	<p style="text-align: right;">Wards Affected: ALL</p>
<p style="text-align: center;">Authority to award the Council's Waste Services Contract</p>	

1.0 Summary

- 1.1 The attached Executive report describes the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.
- 1.2 This Report addresses the requirement for Full Council to consider recommendations including the award of the Waste Services Contract.

2.0 Recommendations

- 2.1 That the Council notes the recommendations of the Performance & Finance Select Committee shown at paragraphs 3.3.
- 2.2 That the Council notes the resolution agreed by the Council's Executive at its meeting on 13 November 2006 and shown at paragraphs 3.4.
- 2.3 That the Council awards the Waste Services Contract to Veolia ES (UK) plc on the basis of Permutation Enhanced 12 (Package 4) as set out in the attached Executive report.
- 2.4 That the Council authorises the Director of Environment & Culture, in consultation with the Director of Finance & Corporate Resources to decide whether to proceed with the option for the Council to purchase the waste vehicles for the contract as set out in paragraph 5.14 of the attached Executive report.

3.0 Details

- 3.1 The award of the Council's Waste Services Contract is put before Full Council, rather than being determined by the Council's Executive, as the proposal involves awarding a Contract with a significantly higher value than the existing budget. This provision is reflected in Standing Orders.
- 3.2 The proposed award of the Waste Services Contract was considered at a meeting of the Performance and Finance Select Committee (PFSC) at its meeting on 9 November 2006.
- 3.3 The PFSC resolved:
- (i) that the information contained in the Authority to Award the Council's Waste Services Contract report be noted;
 - (ii) that a report on the performance of the new Waste Services Contract be considered by this Committee within 4 to 6 months of the commencement of this contract; and
 - (iii) that regular performance indicator updates of the new Waste Services Contract be provided for each Ward and be made available to all Ward Councillors.
- 3.4 The Council's Executive also considered the proposed award of the Waste Services Contract at its meeting on 13 November 2006, and agreed the following Motion in the name of the Lead Member for Environment, Planning and Culture:
- "The Executive notes recommendations 2.1, 2.2 and 2.4 of the report and agrees the reasoning set out in the report for proceeding with the award of contract as set out in the recommendations. The Executive therefore recommends to Full Council that
- (i) the Waste Services Contract be awarded to Veolia ES (UK) plc on the basis of Permutation Enhanced 12 (Package 4); and
 - (ii) the Director of Environment & Culture, in consultation with the Director of Finance and Corporate Resources, be authorised to decide whether to proceed with the option for the Council to purchase the waste vehicles for the contract as set out in paragraph 5.14 of this report."
- 3.5 The report therefore recommends that the Council awards the Waste Services Contract to Veolia ES (UK) plc on the basis of permutation Enhanced 12 (Package 4) at an Estimated Annual Cost of £14,374,819. The detail of the tender process and options considered are set out in the attached report to the Executive.

4.0 Financial Implications

- 4.1 The financial implications are set out in section 5 of the attached Executive report.
- 4.2 Members should also note that there is an update on the 2007/08 budget position in the "First Reading Report Budget 2007/08" elsewhere on tonight's agenda. Whatever option is agreed for the Waste Services Contract, the excess costs over budget will have to be provided for as agreed growth in the 2007/08 budget and beyond.

5.0 Legal Implications

- 5.1 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provide that where the Executive purports to take or is minded to take a decision which is or would be contrary or not wholly in accordance with the Council's approved budget then such a decision shall be referred to Full Council for a decision. This provision is reflected in the Council's Standing Orders.
- 5.2 As outlined in the financial implications of the attached Executive report all of the tendered prices for the Waste Services Contract represent a significant increase in the existing budget for services. The increase goes well beyond what might have been expected as an uplift from one year to the next and it is therefore considered that a decision to award the contract based on any of the options in this report would not be "wholly in accordance with" the current budget. The Executive has indicated that it is minded to agree the award of the contract to Veolia ES (UK) plc based on permutation Enhanced 12 (Package 4). As this decision is not wholly in accordance with the current budget the decision regarding the award of contract needs to be made by Full Council.
- 5.3 Further legal implications regarding the procurement process and award of contract are included in the attached Executive report.

6.0 Background Papers

- 6.1 Report to Executive 13th February, 2006 – Brent Municipal Waste Strategy
- 6.2 Report to Executive 10th April 2006 - Authority to tender Contract for Waste Services
- 6.3 Report to Performance & Finance Select Committee 9 November 2006 – Authority to tender Contract for Waste Services
- 6.4 Report to Executive 13 November 2006 – Authority to tender Contract for Waste Services

Contact Officers

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Note:

Appendices 4, 5 and 6 of the attached report to the Executive are not for publication. These parts of the report were made available to the Executive and the Performance and Finance Select Committee and will be made available to members on request.