

	Decision of Cabinet Member for Environment, Infrastructure and Climate Action
	Report from the Corporate Director, Resident Services
Authority to Vary Contract for Integrated Street Cleansing, Waste Collections and Winter Maintenance Services	

Wards Affected:	All
Key or Non-Key Decision:	Key
No. of Appendices:	Appendix 1 – Variation Initiation
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Name: Raj Chavda Job Title: Contracts Manager Email: Raj.chavda@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report requests individual Cabinet Member approval to vary the Integrated Street Cleansing, Waste collections and Winter Maintenance Services contract in respect of a change to the handling/processing and output of the paper/card from a loose material to a baled material from the point at which the baling plant is installed for the duration of the contract with Veolia in accordance with paragraph 13 of Part 3 of the Constitution. The report summarises the reasons for the request to vary.

2.0 Recommendation(s)

That the Cabinet Member for Environment, Infrastructure and Climate Action, having consulted with the Leader:

- 2.1 Approves variation to the contract for Integrated Street Cleansing, Waste Collections and Winter Maintenance Services with respect to a change to the handling/processing and output of the paper/card from a loose material to a baled material from the point at which the baling plant is installed for the

duration of the contract with Veolia. Further details can be found in appendix 1.

3.0 Detail

- 3.1 The Council entered into a contract for Integrated Street Cleansing, Waste Collections and Winter Maintenance Services with Veolia on 01 April 2023 (the “Contract”).
- 3.2 Officers consider that the contract should be varied and have entered into discussions with Veolia (the “Contractor”) to vary the Contract as follows: A change to the handling/processing and output of the paper/card from a loose material to a baled material from the point at which the baling plant is installed for the duration of the contract.
- 3.3 Benefits of the proposed variation - Instead of the paper/card coming into the Veolia transfer station and being bulked out loose, Veolia will bale the paper/card allowing for the Council to save on the haulage costs and receive a higher rebate for the sale of the recycle from our chosen paper / card reprocessing provider. This is estimated to provide the council an income up to the value of £1.8m over the next 3 years, which has been budgeted for, and an approximate income of £5m, over the course of the eight year main contract term.

The delivery point for the material will remain the same (Brent Transfer Station) whether the product is bulked out loose or baled.

Please refer to Appendix 1 for further detailed information on the proposals and the costs / savings associated with the variation

- 3.4 The proposed variation is in accordance with the provisions of the Integrated Street Cleansing, Waste Collections and Winter Maintenance Services Contract which was entered into by the Parties on 3 May 2023. As required by the provisions of the Change Protocol in the Contract, Schedule 14, the Contractor, Veolia ES UK have completed the Change Request Note as provided for in the above Schedule 14 of the Contract, setting out details of the proposed change.
- 3.5 Pursuant to paragraph 13 of Part 3 of the Constitution, the Cabinet Member for Environment, Infrastructure and Climate Action, having consulted with the Leader has delegated powers to:
- 3.5.1 Agree contract variation where the decision is excluded from officer delegated powers where:
- (a) in the case of any variation (other than an extension):
 - (i) the total value of the variation is £1 million or more; and

- (ii) the total value of the variation is more than £50k and is more than 50% of the original contract value (calculated over the life of the contract including any extensions or possible extensions and adjusted in accordance with any price review mechanism provided for in the contract), or

3.5.2 (b) the Cabinet Member requests that a decision be referred to them pursuant to Part 3 paragraph 9.5.

4.0 Financial Implications

4.1 The value of the main Contract is £137m over eight years. The value of the proposed variation is £3.2m over the same period. The proposed variation will cost £397k per year, and has been accounted for as part of the RLS budget. This will contribute to the recycling surplus which is expected to be £4.4m over the next three years.

4.2 The cost of this variation of the Contract will be funded from the Recyclates Reprocessing budget. This budget also takes into account the income received from baling over the course of the main contract term, as well as the costs and income received from the separate comingled (containers) recyclates processing arrangement.

5.0 Legal Implications

5.1 Officers are seeking to vary the current Contract for Integrated Street Cleansing, Waste Collections and Winter Maintenance Services in order to effect a change to the handling/processing and output of the paper/card from a loose material to a baled material from the point at which the baling plant is installed for the duration of the contract with Veolia.

5.2 Officers have advised of the benefits of the proposed variation in paragraphs 3.3 and 3.4 of this report. See also, financial implications as stated in paragraph 4. The value of the original contract is such that it is subject to full application of the Public Contract Regulation 2015 (PCR 2015). In addition, the original contract contains express provisions allowing for a variation. The Contract also sets out the procedure for such variation. (Change Protocol, Schedule 14 of the Contract).

5.4 Under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Chief Officers are able to vary contracts and agreements without the need for Cabinet approval provided that the variation would not be in breach of Procurement legislation and does not substantially alter the terms and conditions of the contract.

5.5 The above provisions of the Constitution are satisfied in that the proposed variation to the contract would not be a breach of Procurement legislation. In this regard, Regulation 72(c) of the PCR 2015, provides for modification of

contracts during its term where all of the following conditions are fulfilled:

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen. Officers have set out in section 3 why the need has arisen.
- (ii) the modification does not alter the overall nature of the contract – the variation proposed by Officers as set out in section 3 of this report does not alter the overall nature of the contract.
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement – Officers have advised in paragraph 4 – Financial Implications – that the cost of the proposed variation would not exceed 50% of the value of the original contract.

5.6 As above conditions are satisfied, it is considered that the Cabinet Member for Environment, Infrastructure and Climate Action, in consultation with the Leader, has delegated power to approve the proposed variation under paragraph 13 of Part 3 of the Constitution.

6.0 Equality Implications

6.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

6.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

6.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

6.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.”

7.0 Consultation with Ward Members and Stakeholders

7.1 Ward member and stakeholder consultation is not required as there are no other stakeholders impacted. Furthermore, there will be no change in service delivery or financial impact to residents across the Borough.

8.0 Human Resources/Property Implications (if appropriate)

8.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from varying the contract.

9.0 Public Services (Social Value) Act 2012

9.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Whilst this report concerns a variation to the Contract, Officers have nonetheless had regard to considerations contained in the Social Value Act in relation to the variation.

9.2 The proposals within this document will allow the Council to generate a higher yield for the onsale of paper and card. This In turn will benefit the Council which inturn benefits the residents with in the Borough.

Report sign off:

[Peter Gadsdon]
Corporate Director, [Resident Services]