

Date - 16 June 2017
Report of the - Lead Director, Dr Anthony Leonard
Subject - Project Management and Resources

Recommendation: It be **RESOLVED:** That:

- 1) the project work streams, phases of planned activity and employment of the Deputy Project Manager by the Administering Authority be noted;
 - 2) in accordance with the Procurement Procedure Rules, the Administering Authority' (Rother) appoint a technical waste consultant to support the procurement project;
 - 3) the Administering Authority (Rother) directly appoint Bevan Brittan LLP from the Crown Commercial Service Legal Services Framework to support the procurement project; and
 - 4) the Administering Authority (Rother) commission financial expertise internally or externally as necessary to support the procurement project.
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Report Author: Cathy Pennock (Deputy Project Manager)

1. Following on from the mutual exit agreement with Kier it is necessary to progress the work required to procure a new contract which must commence on 29 June 2019. Each Council has been considering its options and another report on this agenda seeks the commitments required to proceed with a joint procurement. This report describes the approach which will be taken to project management and seeks approval for the resources required to deliver a successful procurement.
2. The new contract will deliver services to residents but must also be supported by effective ICT, customer service and client management arrangements. To deliver the project outcomes requires all these areas of work to be progressed within the same timescale. Identifying all the work activities necessary makes it possible to realistically plan how the project can be delivered within the overall timescale and resources available. The overall timescale is determined by the procurement timetable which is subject to another report on this meeting agenda.

Project Planning and Key Decisions

3. It is proposed that this project be managed via delivery of four project work streams. Each work stream comprises key areas of work that are planned in time-driven phases. Each phase of work seeks to deliver several activities including the task milestones which form the critical path for the project. Appendix 1 sets out the work streams and lists the milestone tasks. To avoid duplication and unnecessary planning effort, detailed planning will only be undertaken shortly prior to each phase of work.

4. The Project Plans for Phase (i) of each work stream are currently being developed in greater detail. These plans will list all of the work stream tasks together with their inter-dependencies and the resources available to deliver them. This style of detailed project plan will be updated regularly and available upon request.
5. It is noted that a six month period from December 2018 will be required for service mobilisation (December 2018 – June 2019). Thus Contract Award is currently being planned for December 2018 and officers will liaise with partners with regard to key decisions and Cabinet forward plans in due course.

Project Resources

6. The Partnership Manager has recruited a Deputy Partnership Manager to coordinate activities and administrate the procurement project. They commenced employment on 2 May 2017 and started the work required to plan and enable delivery of all the activities required to ensure successful continuation of the services from 28 June 2019.
7. Technical (waste and recycling), legal and financial expertise needs to be commissioned to help officers determine the final requirements and prepare the tender documentation. To develop the suite of documents required for procurement, the Joint Waste Partnership (JWP) needs to reconsider various aspects of the current contract and undertake a “soft market” / pre-market engagement exercise with contractors prior to starting the procurement procedure.

Technical Support (Waste and Recycling Management)

8. Officers can refresh and update general information in the specification but the majority of the specification describes the JWPs collection requirements and it is these services which require most reconsideration.
9. In September 2016, the Waste Resource Action Programme (WRAP) launched its framework for Greater Consistency in Household Recycling in England. The opportunity to seek funding was announced in early 2017 so officers bid for WRAP support to assess the business case for implementing recycling collection services and work towards implementation of collection service changes. WRAP has agreed to support the JWP and is providing the following technical support:
 - a. appraisal of ten collection options to allow the JWP to test key aspects of WRAPs’ nationally recommended consistency framework for recycling;
 - b. support with the development and identification of local opportunities and benefits;
 - c. advice on collection system design; and
 - d. support with commissioning and introducing new collection services.
10. It is noted that in 2012, the Partner councils concluded that the collection of food waste was not affordable but retained the ambition to collect food waste should market conditions change. Two of the ten options being analysed by WRAP include food waste so the JWP will have a comprehensive range of options to consider.

11. Currently, disposal responsibility for recycling lies with the collection contractor. Demand for recycled material offered a financial advantage in 2012 but the commodities market has changed significantly so the financial implications of collecting, handling and disposing of each recycling material must be re-evaluated as it is unlikely that collection contractors will accept all of the associated financial risks in future.
12. WRAP will meet the full revenue cost of the technical support needed to analyse the collection system options and have appointed AEA Ricardo to work with the Partnership and East Sussex County Council appointed consultants (Local Partnerships) to ensure whole system costs (collection, handling and disposal) are analysed so that treatment and disposal costs are included in the modelling work. The final outcome of this WRAP enabled project will be a draft Contract Specification describing the JWPs' requirements for residual waste, dry recycling, garden waste, bulky waste and clinical waste. The Joint Waste Committee will therefore need to take decisions in due course regarding the option to be specified.

Technical Support (Street Cleansing)

13. Officers have considered the street cleansing related services and associated standards described in the current specification and concluded that they do not meet the JWP's requirements.
14. The NI195 surveys undertaken three times each year demonstrate that COPLaR standards have been met across the Partnership area with only two periods of unacceptable performance in 2014 and 2016. However, specific locations have suffered from regular incidents of litter and/or dog fouling, particularly in Hastings and detritus consistently exceeds target in the rural areas of Wealden and Rother.
15. Officers consider that the cross partnership NI195 monitoring regime is not tackling local problems because results are averaged across the JWP area and the other performance management provisions in the current contract limit the application of default related financial deductions to High and Maximum Intensity locations (typically high profile town centre locations). The performance management terms therefore need to be revised in the new contract and consultancy expertise is required to develop both a new style of service specification and measures by which to consider performance.

Technical Support (General Requirements)

16. The Councils share an ambition to increasingly digitise customer contact. In practice this requires integration of ICT systems and a daily flow of data between each Council's CRM system and the Contractor's operational management system. To efficiently handle customer reports (fly-tipping, litter, missed bins etc.) depends on resilient ICT arrangements. The current specification needs to be revised to take into account the increasing ambition for processes to be as automated as possible. In practice this means ICT arrangements such as web portals and smartphone apps which intelligently control customer options, especially those which incur additional costs for the councils.
17. On average, a third of all customer contact for each Council is generated by waste related enquiries. The councils require the contractor to provide

several items of data and specific daily operational records in order to manage customer services as well as to meet central government reporting requirements for recycling rates. These matters rely on the same source data and the systems and procedures which handle the data must be carefully considered and specified.

18. Other parts of the specification also need to be considered and potentially revised to ensure the councils accurately specify the service requirements. A list of the matters to be concluded for the service specification is provided at Appendix 2.
19. The need to ensure that all parts of the specification (including the work being undertaken by WRAP) cohesively describe the JWP's service requirements, and dovetail with all the other tender documents, requires technical consultancy support. It is therefore recommended that the Administering Authority, in accordance with its Procurement Procedure Rules, invite tenders and appoint a waste technical consultant to support the procurement project.

Legal Support

20. Previously, the JWP internally resourced the legal work required to develop suitable contractual terms and conditions and Bevan Brittan LLP were commissioned to consider and advise with regard to the Transfer of Undertakings [Protection of Employment] (TUPE) and pension provisions (only). Bevan Brittan LLP was subsequently commissioned by the Partnership Manager to consider the series of Kier contractual claims and subsequently the Mutual Exit Agreement. The Partnership Manager has greatly valued the expertise and advice provided by Bevan Brittan LLP over the past two years.
21. As a consequence of their recent work with the Partnership, Bevan Brittan LLP are familiar with the JWP's service expectations and are positioned to "hit the ground running" and "apply the lessons learnt" on the new procurement. Bevan Brittan LLP are a large public services law firm working for several local authority clients and it is therefore recommended that the Administering Authority directly appoint Bevan Brittan LLP from the Crown Commercial Service Legal Services Framework to support the procurement project.

Finance Support

22. Previously, the JWP internally resourced the work required to develop the business case for the joint procurement, develop the financial models used to evaluate tenders, design the content and format of the pricing documents and the cost sharing arrangement. The East Sussex Finance Officers Association (ESFOA) has been asked to consider the internal capacity and capability of their internal teams and advise whether a suitable range of skills and expertise are available to support the JWP and this procurement project.
23. Pending the ESFOA response, it is recommended that the Administering Authority (Rother) commission financial expertise if and when necessary to support the procurement project.

Initial Cost Plan

24. The initial cost forecasts for procurement are in the region of £250k for this type of contract project resources. However, the extent of consultancy support and costs required varies according to which procurement procedure will be followed so the initial costs are based on the work required to deliver a Competitive Procedure with Negotiation (CPN) procedure. A comprehensive cost plan will be developed when consultancy quotes have been received. This will form Schedule 2 of the IAA (which is the subject of another report on this meeting agenda). Part of these costs will be offset by Kier's contribution. It is recommended that the remaining costs be funded equally by the Councils who commit to the Inter Authority Agreement.

Project Risks

25. A risk register for the re-procurement is being developed by the Deputy Project Manager which will be reassessed at least monthly and high risks will be reported to the Committee. This reflects the ongoing approach to risk management that has been taken by the JWP since 2011.

Conclusion

26. Additional resources are required to deliver the procurement project and it is recommended that costs be funded equally.

Dr Anthony Leonard
Lead Director

Risk Assessment Statement

Failure for councils to commit or subsequent failure to then reach agreement as to the final specification could impact on the ability to meet the timetable set out in this report and make procurement of a contractor more difficult.

Work Streams and Milestone Tasks

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| Work stream 1 : Development of Specification This work stream will deliver the final specification for the services. | | |
| Phase (i) June to October 2017 <ul style="list-style-type: none"> • Development of final specification for tender (to include all items listed in Appendix 1). • WRAP consistency work for development of collection model. • Appoint waste technical consultant. • Refresh all quantities, e.g. street measurements, dog bins etc. • Undertake Pre-Market Engagement. | Phase (ii) Nov 2017 to Jan 2018 <ul style="list-style-type: none"> • Gain approval to tender. • Place OJEU notice. | Phase (iii) Feb 2018 – Dec 2018 <ul style="list-style-type: none"> • Tender process (timeframes dependent on procedure used). |
| Work stream 2 : Development of conditions of contract and legal documents This work stream will deliver the legal basis for the contract and supporting documents required. | | |
| Phase (i) June to October 2017 <ul style="list-style-type: none"> • Appoint Legal Consultant. • Review Conditions of Contract, including, but not limited to: <ul style="list-style-type: none"> ○ Performance ○ Payments ○ Certificates ○ Invoicing ○ Clause 23 ○ annual uplift. • Refresh statutory documents (invitation letter, anti-collusion etc.). • Undertake Pre-Market Engagement. | Phase (ii) Nov 2017 to Jan 2018 <ul style="list-style-type: none"> • Conditions of Contract complete for tender process. • Finalise Evaluation Criteria. | Phase (iii) Feb 2018 to Dec 2018 <ul style="list-style-type: none"> • All documents fit for tender purposes. • Proceed with contract tender process. • Contract award by December 2018. |
| Work stream 3 : Development of the pricing documents This work stream will define the costs associated with the contract. | | |
| Phase (i) June to October 2017 <ul style="list-style-type: none"> • Appoint financial consultant (pending ESFOA consideration). • Financial forecasts including collection and disposal costs (WRAP and ESCC). • Development of Pricing Document (Bills of Quantity). | Phase (ii) Nov 2017 to Jan 2018 <ul style="list-style-type: none"> • Finalise pricing document. | Phase (iii) Feb 2018 to Dec 2018 <ul style="list-style-type: none"> • Financial evaluation of tenders. • Contract awarded December 2018. |
| Work stream 4 : Establish Client Management Arrangements | | |

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| This work stream will define the ICT, customer service, enforcement, performance management and other client side arrangements. | | |
| Phase (i) June to October 2017 <ul style="list-style-type: none"> Consider lessons learned. ICT integration plans. | Phase (ii) Nov 2017 to Jan 2018 <ul style="list-style-type: none"> Approve any changes to be implemented. | Phase (iii) Feb 2018 to Dec 2018 <ul style="list-style-type: none"> Plan for implementation at June 2019. |

Specification – Headings

| HEADING DETAIL | COMMENTS |
|---|--|
| General description of services | General overview of the services being subject to the contract |
| Legal / statutory requirements | Clarification of compliance with legislation |
| Domestic Refuse collection services | General description of proposed service specifications with reference to schedules of existing service metrics and details of targets and measures to minimise disposal |
| Recycling collection services and targets | General description of proposed service specifications with reference to schedules of existing service metrics and details of targets and measures |
| Green waste collection services | General description of proposed service specifications with reference to schedules of existing service metrics and details of targets and measures |
| Bulky household waste collection services | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Commercial waste collection services | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Clinical waste collection services | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Cesspool emptying services | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Street cleansings services | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Beach Cleansing services | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Food waste collection services | General description of any proposed service specifications with reference to schedules of existing service metrics and details |
| Recycling Centres (Bring Sites) | General description of current and proposed service specifications with reference to schedules of existing service metrics and details |
| Other services | Provision of any service required but not covered in the above |
| Collection services generally | A more detailed description of the services and standards required including for example assisted collection arrangements, collection frequencies, additional or side waste etc. |
| Contractor staffing | Requirement to submit details of staffing resources and structures |
| Refuse and recycling receptacles | Details of existing stock plus arrangements for proposed changes, replacements, damages, maintenance etc. |
| Collection days | Details of existing arrangements plus proposals for harmonisation and requirement for compliance with minimum frequencies |

| HEADING DETAIL | COMMENTS |
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| Collection points | Points of collection including assisted collection arrangements - proposals for harmonisation and review including notifications |
| Complaints / service requests | Arrangements for receiving and processing and rectifying complaints and service requests |
| Claims | Arrangements for payments for variations to service or other issues that impact financially on the contractor that they may wish to seek additional payment for |
| Working times | Existing arrangements and proposals for harmonisation |
| Bank and public holidays | Existing arrangements and proposals for harmonisation |
| Inclement weather | Existing arrangements and proposals for harmonisation |
| Technology | Hosting and access arrangements to the waste management system |
| Call centre provision | Provision for the bidders to submit proposals to provide and manage this element of the service |
| Dayworks | Standard provision to cover appropriate non billed work |
| Joint Municipal Waste Management Strategy | Reference to integrate services in accordance with this strategy current and future |
| Performance Indicators | Details of how performance will be measured and includes all relevant key performance indicators |
| Efficiency improvements | Provision for the bidders to submit proposals that demonstrate improvements in both efficiency and sustainable practices/methods and the benefits to the partnership |
| Communications | Provisions for the flow of information between contractor and residents |
| Record keeping and statistical information | Requirements for the submission of relevant statistical information for the management of the contract and monitoring of performance |
| Vehicle details | Includes arrangements for existing fleets, transfer of vehicle assets, standards of vehicles and equipment, operating licences, livery details, insurance, proposed vehicle fleets, hire vehicle arrangements , CO2 emissions and sustainability |
| Unacceptable methods and practices | Details of all unacceptable practices (including shutting gates, staff behaviour, safe working etc. |
| Method statement(s) | Contractors requirement to submit details of how the work will be undertaken |
| Programme of work | Contractors requirement to submit details of what resources will be allocated to the service and how they will be deployed |
| Mobilisation plan | Contractors requirement to submit details of how the services will be managed prior to and during the start-up period |
| Relevant premises | Details of premises entitled to a service under this contract |
| Health and safety | Requirement of the contractor to comply with relevant legislation |
| Growth in number of properties | Provisions for assessing and valuing growth |
| Collection day notifications | Arrangements for managing and funding changes including annual notifications |
| Emergencies | Provision for allocating any resources at the direction of |

| HEADING DETAIL | COMMENTS |
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| | the partnership to fulfil non-standard but essential or necessary works |
| Depots | Description of existing facilities being made available and requirement to agree terms. Proposals for any new facilities or changes to existing to be provided |
| Disposal of waste | Details of current facilities and requirement to comply with existing site rules |
| Processing and disposal of recyclables | Details of current facilities and requirement to comply with existing site rules. Proposals to provide alternative processing sites and transfer stations |
| Use of partnership recycling facilities | Details of facilities |
| Processing of garden waste materials | Details of current facilities and requirement to comply with existing site rules. Proposals to provide alternative sites |
| Value of recycling materials | Arrangements for management of the income received / gate fees payable at processing sites. Including annual review and adjustment |
| Client Partnership Structure | Details of client management requirements (number of weekly meetings, daily reports required etc.) |
| Managing Contamination | Arrangements for managing contaminated collections |
| Container Responsibility | Arrangements for ownership, provision and replacement of equipment |