

Wards Affected:

Wolverton and Greenleys

AWARD OF CONTRACT FOR A NEW DEPOT, COLTS HOLM ROAD, OLD WOLVERTON

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Executive Summary:

This contract is for the award of contract to company C, to design and build a new depot at Colts Holm Road, Wolverton. The contract will support the delivery of services for collection, treatment and disposal of municipal waste, together with cleansing services. The provision of these services requires a depot with adequate space to accommodate vehicles for the current operation and also sufficient for future growth.

The current depot at Home Farm, Sherwood Drive Bletchley is adjacent to housing and is therefore restricted by its Operators' licence in the number of vehicles it can accommodate and the hours it can be operational. The growth in service has resulted in the use of temporary satellite parking for the additional operational vehicles that are required. The temporary arrangements for parking are on land adjacent to the Materials Recycling Facility (MRF) at Old Wolverton. This is the land that is being recommended for the development of the new operational depot.

The co-location of the new operational depot with the MRF and the proposed residual waste treatment facility provides the opportunity to reduce mileage and carbon footprint of the vehicles.

The contract term:

- is for commencement in August 2012 preparing a planning application to construction start January 2013 with completion August 2013. The total value of the project is £3.312m.

1 Recommendation(s)

- 1.1 That the contract for the design and build of a new depot at Colts Holm Road, Wolverton, as named in **Annex B**, be approved.

2 Context

- 2.1 The contracted works are located within Wolverton and Greenleys Town Council area. The operation of the depot is for vehicle parking, workshop for maintenance of the vehicles, amenity facilities and offices. The majority of the vehicles currently travel to Colts Holm Road to visit the Materials Recycling

Facility a few times a day and therefore there will be a limited increase in vehicle numbers. In the longer term, the co-location of waste facilities will provide for a reduction in vehicle movements as vehicles will be able to deposit both recycling and residual waste and will not need to leave the area at the end of the working day, as happens now to return to Bletchley.

- 2.2 Information sessions have been held with Haversham Parish Council, local businesses and residents, of which a representative from New Bradwell Parish Council attended. These sessions have also been offered to Stony Stratford and Wolverton and Greenleys Town Councils.
- 2.3 The current depot site at Home Farm, Sherwood Drive, Bletchley will be put on the market for sale as a freehold.

3 Background

3.1 The Council's Contract Procedure Rules (CPR's) were revised in January 2012. This procurement has applied those requirements. This design and build contract has been procured via a mini competition process, using Lot 1 of the Milton Keynes Council Construction Framework.

3.2 Decision to Proceed to Tender

3.2.1 This procurement was considered by Capital & Procurement Review Panel (C&PRP) in April 2010. This procurement was approved to proceed to Tender by Cabinet on 14 June 2011 (C15) and is consistent with Council's policy for the Zero Waste Strategy 2011 approved by delegated decision on 30 November 2011 and the inclusion of a new depot is contained in the Collection and Cleansing contract (CU1723), which commenced on 2 March 2009.

3.3 Consultation

3.3.1 The specification and evaluation criteria for this contract were developed following consultation with the following key stakeholders:

- Head of Environment and Waste
- Construction Project Management consultants

3.3.2 The consultation highlighted that a Swept Path Analysis and traffic management plan for evaluation of how the vehicles will move and operate externally and in the internal space and details of any environmental elements such as sustainable construction, energy efficiency and water conservation and recycling should be built in to the evaluation criteria.

3.4 Market engagement and lessons learnt

3.4.1 Before this tender commenced there was a contract engagement session to give advance warning of our requirements. This was completed with the three construction companies on the Council's Construction Framework on

5 March 2012. Cost estimates were also carried out by the cost control consultants to estimate the likely cost of our requirement.

3.4.2 Lessons learnt from the current operational depot at Home Farm, Bletchley have been built into the requirements of the new depot. These include:

- Keeping vehicle and pedestrian movements separate;
- To provide a one way vehicle system;
- The siting of a new depot location should not be next to immediate housing.

3.5 Tender Evaluation

3.5.1 The contract was advertised on the Council's E-Tendering system to the three Lot 1 partners of the Milton Keynes Council Construction Framework on 19 March 2012 and 3 tenders were returned on 17 May 2012.

3.5.2 The Tenders were evaluated by a suitably qualified and experienced panel of officers and external consultants.

3.5.3 The Evaluation criteria and scores for all tenders are attached at Annex B, which is not for publication by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972.

3.5.4 The Most Economically Advantageous Tender (MEAT) evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the red paper in Annex B)

	Quality score	Price score	Total score	Ranking
Company A	15.23	54.84	70.07	2
Company B	Non – compliant bid			
Company C	27.83	55.00	82.83	1

3.5.5 The Most Economically Advantageous Tender is Company C. Company C's proposal was comprehensive, well designed and fit for purpose providing the best value for money. Company B qualified their bid. The tender price did not relate to the design proposals submitted. Therefore the tender is non compliant.

3.6 Contract Management

3.6.1 The Senior Client Officer for this contract is the Programme Manager, within Neighbourhood Services. The contract adheres to the Council's

standard terms and conditions as maintained by the Council's Legal Services team.

- 3.6.2 The project will be delivered using project management methodology, which aligns with the MK approach to project management.
- 3.6.3 The contract will be the National Engineering and Construction Contract 3 Option A: Priced Contract Activity Schedule, which will be administered by a Project Manager partner from the Milton Keynes Council Framework for Professional Services.
- 3.6.4 Issues that cannot be resolved by, or are not within the remit of the Project Manager and Client Officer, will be escalated to the Waste Infrastructure Programme Board.
- 3.6.5 The timetable for delivery of this contract is as follows:

Task	Timetable
Planning application submission	September/October 2012
Construction start	January 2013
Construction complete	August 2013
Facility operational	September 2013

4 Implications

4.1 Policy

- 4.1.1 The award of this contract applies the Council's policy for the Zero Waste Strategy, and contributes to the delivery of the outcomes in the following Corporate Plan themes:
- Living in MK
 - Cleaner, greener, safer and healthier MK
- 4.1.2 The procurement of New Waste Depot is necessary to implement and house the vehicles that serve relevant elements of the Council's Zero Waste Strategy as well as to ensure that statutory duties are fulfilled.
- 4.1.3 One of the policies of the Zero Waste Strategy is to meet the statutory obligations of a waste collection and disposal authority as efficiently as possible and to be highly rated by local residents.
- 4.1.4 A new depot with sufficient space for current operation and spare capacity for future growth will ensure the continuous achievement of these goals.

4.1.5 The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

4.2.2 Capital funding (3/C/00516) has been approved and is in the capital programme. The funding source is from the Waste Infrastructure Grant, Tariff and s.106.

4.2.3 A risk register has been set up to identify risks that apply and to take appropriate steps to take advantage of opportunities that may arise and avoid, reduce or react to threats. The risk register contains all information about the risks, their analysis, countermeasures, actions/strategies and status. It is regularly reviewed and is located on the Council's risk management system, GRACE.

4.2.4 Some of the consequences of not awarding the contract would be:

- Breach of contract with Serco. The financial penalties may be in the region of £100,000 per year.
- Loss of opportunities of co-location of the Material Recycling Facility, Residual Waste Treatment and the New Operational Depot.
- Current building is close to full capacity and therefore services will not be able to fulfil any population growth in MK, or any necessary improvements to service.
- The abortive costs of £83k from the work already undertaken on the project.

4.2.5 The key opportunity secured by this contract is the co-location with other waste infrastructure (the Materials Recycling Facility and Residual Waste Treatment Facility). This will reduce carbon footprint by reducing vehicle movements and miles travelled. The new depot will also have the capacity to deal with growth into the future. It is assessed that the delivery of this contract provides a high likelihood that a low impact will secure the opportunity defined.

4.2.6 The key threats for this contract have been assessed as:

- Delay in or refusal of planning permission
- Lack or delays to the decision making process

4.2.7 The governance measures set out in 3.6 above provide a basis to conclude that these threats, properly managed represent a medium likelihood or a medium impact.

4.2.8 Accommodation/ Asset Management and IT: The new waste depot is required to accommodate the growth of the Borough and will remain in the Council's ownership but leased to Serco. The current depot in Bletchley will be put on the market. IT will be required for a number of Council desks located in the depot.

Y	Capital	N	Revenue	Y	Accommodation
Y	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

4.3.1 The award of this contract contributes significantly to the reduction in our carbon emissions, reduced usage/costs; improved management/use of energy by reducing vehicle mileage. Once recyclable materials have been taken to the Materials Recycling Facility, also on Colts Holm Road, then vehicles will park next door at the depot. In the future when the Residual Waste Treatment Facility is in operation, the facilities will reduce further mileage saving vehicle journeys to Bletchley Landfill Site.

4.4 Legal

4.4.1 The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.5 Other Implications

Equalities/Diversity: Equality considerations have been taken into account in the tender evaluation.

Sustainability: Environmental initiatives and impacts were considered in the tender evaluation.

E-Government: The Council's E-procurement tool has been used in the tendering process.

Stakeholders: Residents, Milton Keynes Council Members, Wolverton and Greenleys Town Council, Haversham Parish Council, New Bradwell Parish Council and Stony Stratford Town Council and local businesses have been invited to information session and will be invited to pre- planning sessions.

Crime and Disorder: Designing out crime will be considered in the design of the new depot.

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers: Cabinet Approval to Proceed to Tender 14 June 2011
Milton Keynes Council's Zero Waste Strategy 2011

Annex A Evaluation Criteria and Weightings

Annex B Bidder Evaluation Scores (Contains Exempt information)