

DCLG Weekly Collection Support Scheme

Overview and guidance note

Background

The Department for Communities and Local Government (DCLG) recently launched the prospectus for its £250 million Weekly Collection Support Scheme (Scheme). The Scheme is available for local authorities to 'increase the frequency and quality of waste collections and make it easier to recycle.'

Full details of the Scheme are available at:

<http://www.communities.gov.uk/publications/localgovernment/weeklycollection/prospectus>

Purpose and structure of this document

This document is aimed at local authority officers and members. It is designed to provide an overview of the Scheme and to signpost local authorities that are interested in submitting an expression of interest (EoI) to relevant resources.

The LGA, Local Partnerships, iESE and WRAP, like DCLG, are keen that the £250m fund is utilised by local authorities. However, councils will wish to minimise the costs of bidding (as these are not recoverable), and wherever possible utilise existing resources and tools rather than duplicate efforts. This document therefore contains a summary of some of the resources and tools available that would be useful at the EoI and Outline Bid stage, although it does not, and is not intended to, provide detailed and directive advice.

The following sections provide an overview of the purpose of the Scheme and timescales for bidding, and highlight the key resources available to provide information and data against the different criteria above. The final section acknowledges the importance of procuring goods and services and provides information on existing frameworks and advice.

Overview of the scheme

The aim of the Scheme is to support local authorities to:

- a) introduce, retain or reinstate a weekly collection of residual household waste, supplemented by a separate recyclables collection at least once a fortnight, or
- b) propose improvements to an existing waste service which is already centred around a weekly residual collection, or
- c) add a weekly food waste (or organic waste) service to an existing fortnightly collection of residual household waste, where an authority can credibly demonstrate this represents the preference of local people.

Successful bids to the Scheme will need to provide reasonable evidence that funding will support **additional** activity, rather than activity that would progress anyway.

There will be three core criteria for the assessment of bids:

- cost effectiveness

- collection patterns committed to (although points will be awarded based on a hierarchy as outlined below)
- quantifiable environmental benefits

'Innovation' and the 'feasibility' of bids will also be taken into account as part of the assessment of bids.

Comprehensive collection schemes will tend to score more highly in the assessment process: the prospectus sets out the following hierarchy of collection schemes:

- a weekly residual collection with weekly recycling
- a weekly residual collection and fortnightly recyclables collection
- adding a weekly food waste (or organic) collection to a fortnightly collection of residual household waste

The bidding process will first involve a non binding expression of interest (to be received by 16 March 2012), followed by an outline bid (by 11 May 2012) and final bid (by 17 August 2012). Successful bidders will be announced in Autumn 2012.

Timescales

The table below sets out the timetable for the development and submission of bids to the Scheme, and some of the key activities to be undertaken by bidding authorities and DCLG at each stage. An announcement on successful bids is expected in October 2012.

Councils may find the timetable challenging and therefore may find it helpful to draw on some of the existing resources highlighted in this document. Local authorities should note that although expressions of interest are being strongly encouraged by the deadline of 16 March, if an authority fails to produce an EoI it will be still be possible to submit an outline bid by the deadline of 11 May.

Activity	Deadline
Issue of DCLG prospectus	3 February 2012
- LA prepares EoI	
Deadline for EoI submission to DCLG	16 March 2012
- LA prepares outline bid	
- LA s. 151 officer approval	
DCLG project team provides overarching feedback	
Deadline for outline bid submission to DCLG	11 May 2012
Technical Advisory Group to review outline bids and DCLG project team to provide bespoke feedback to local authorities	By 22 June 2012
- LA decides whether to submit a final bid	
- LA prepares final bid	

- LA s. 151 officer approval	
- LA full internal approval processes	
Deadline for final bid submission to DCLG	17 August 2012
DCLG announcement of successful bids	By October 2012

Resources relevant to core criteria

The Scheme prospectus sets out a scoring matrix to be used to review bids (page 17), based on four criteria. Listed below are a number of resources that local authorities might find useful in pulling together information against each of the criteria.

Cost effectiveness

Local authorities will need to provide evidence about the costs of their proposed projects, and how it will impact future costs and budgets compared to current projections based on bids not being successful. Assessors will also look at how these costs compare with industry standards / benchmarks and with the performance of similar local authorities. WRAP have produced a number of guides and tools which may be helpful in assessing the comparative costs of different collection regimes:

- Benchmarking report and tool for comparing dry recycling performance (accessed via the image at the bottom of the page)
http://www.wrap.org.uk/local_authorities/research_guidance/collections_recycling/benchmarking.html
- Kerbside recycling: indicative costs and performance
http://www.wrap.org.uk/local_authorities/research_guidance/collections_recycling/kerbside_recycling.html
- Indicative cost guide for communication activities
http://www.wrap.org.uk/downloads/2011_12_16_Indicative_Cost_Guide.54f16b4e.2672.pdf
- Recycle Now communication resources website
http://www.recyclenowpartners.org.uk/local_authorities/index.html

Collection patterns committed to

Authorities will need to specify the type of waste that they are seeking to collect and how they intend to collect it. The more comprehensive a bid is in terms of collections of residual waste and recycling on a weekly basis, the more likely a bid is to score highly.

- Support on analysing current collection scheme performance is available using the WRAP Kerbside Analysis Tool (KAT). This tool can be used to review options for improvements to existing services, particularly by authorities who are familiar with the tool.
http://www.wrap.org.uk/local_authorities/research_guidance/collections_recycling/kerbside_analysis_1.html

- Waste Data Flow information can be found at:
<http://www.wastedataflow.org/htm/datasets.aspx>
- Additional information on food waste is available on the WRAP site:
http://www.wrap.org.uk/local_authorities/research_guidance/food_waste/index.html
- Collection and sorting information is also available on the WRAP site:
http://www.wrap.org.uk/downloads/Choosing_the_right_recycling_collection_system.5b2d699d.7179.pdf

Quantifiable environmental benefits

Local authorities that bid for the DCLG fund will need to demonstrate that their proposal delivers high environmental credentials, particularly in regard to helping reduce CO₂ emissions. To help authorities consider these aspects, the following tools and links could be considered:

- ADEPT - Carbon Sense for Better Waste Management: A guide to Carbon Footprinting and Life Cycle Assessment
<http://www.win.org.uk/site/cms/contentDocumentView.asp?chapter=81>
- Defra guidance for businesses on how to measure and report their GHG emissions
<http://www.defra.gov.uk/environment/economy/business-efficiency/reporting>
- WRAP/Zero Waste Scotland Carbon metric reporting system for recycling performance in Scotland
<http://www.zerowastescotland.org.uk/carbonmetric>
- LWARB Flats Recycling Programme - Financial model and tonnage CO₂ Form 1.2
<http://www.lwarb.gov.uk/page/?identity=flatsrecyclingprogramme>
- Department for Transport guidance to help companies report their work-related travel
<http://www.dft.gov.uk/pgr/sustainable/greenhousegasemissions>
- Carbon Trust information about carbon footprinting for companies, including a carbon footprint calculator
<http://www.carbontrust.co.uk/cut-carbon-reduce-costs/calculate/carbon-footprinting/pages/carbon-footprinting.aspx>
- The Publicly Available Specification (PAS): 2050 provides a method for measuring the lifecycle greenhouse gas emissions from goods and services.
<http://www.bsigroup.com/en/Standards-and-Publications/Industry-Sectors/Energy/PAS-2050/>

- The US EPA created WARM to help solid waste planners and organizations track and voluntarily report greenhouse gas emissions reductions and energy savings from several different waste management practices.
http://www.epa.gov/climatechange/wycd/waste/calculators/Warm_Form.html

Local authorities may also wish to make use of the Environment Agency Waste and Resources Assessment Tool for the Environment (WRATE) model where they have access to this and are already familiar with its application.

Innovation

To deliver a bid that stands out, authorities will need to consider innovative solutions that could be deployed. The following resources show some case studies of collection solutions that could be deemed as innovative.

- The WIN case study library has over 100 case studies with 23 examples of councils deploying innovative solutions in waste collection to achieve efficiencies and improve customer satisfaction:
<http://win.org.uk/site/cms/contentCategoryView.asp?category=414#Col>
- WIN FOCUS reports a suite of documents that provide detailed insight into the areas that local authorities want to focus on, including benefits, considerations and outcomes. Specific reports that might be useful are: '**Collection Contracts: Variations and Mid Term Opportunities**', '**Moving to a 4 day week**' and '**Rewards and Recognition.**'
<http://win.org.uk/site/cms/contentChapterView.asp?chapter=22>

Feasibility: procurement and legal issues

Authorities may need to consider a number of legal and procurement issues in developing their bids to the Scheme: the assessment of bids will include consideration of their feasibility. In terms of procurement, there have been some key decisions in the courts recently that send a note of caution to any local authority seeking to make a contract variation. The key point to emerge is that contracts cannot always be flexed to accommodate an authority's changing needs. Variations may be so material that they create a new contract, triggering the need for a re-tender.

More detailed information about procurement and legal considerations is contained in appendix 1 to this document.

Further information and support

DCLG have prepared a set of frequently asked questions and set up an email address for authorities that have queries or are seeking further information about the Scheme:

<http://www.communities.gov.uk/documents/localgovernment/pdf/2081289.pdf>

weeklycollectionsupportscheme@communities.gsi.gov.uk

Additionally, the LGA and DCLG are exploring the possibility of running roadshows to provide further information and practical support for authorities interested in bidding for the Scheme. Further information about this will be made available as soon as possible.

Other contact details are as follows:

environmentandhousing@local.gov.uk

enquiries@iese.gov.uk

LPEnquiries@local.gov.uk

rotate@wrap.org.uk

Appendix 1 – procurement and legal issues

Authorities need consider whether variations to existing contracts arising from bids to the scheme are so material that they create a new contract, triggering the need for a re-tender.

The courts have held that contract variations will amount to new contract awards if the changes are **materially different** in character **from the original contract** and so demonstrate the **parties' intention to renegotiate the essential terms** of that contract.

When might a contract variation be “material”?

One recent case has identified three situations in which a variation might be “material”.

A variation might be material if it:-

- introduces conditions which, had they been part of the initial tender process, would have allowed for different tenderers to be admitted or would have allowed for a different tender to be accepted
- extends the scope of the contract considerably to encompass services not initially covered, or
- changes the economic balance of the contract in favour of the contractor in a manner which was not provided for in the terms of the initial contract.

Key points to check before agreeing variations

- Check the **OJEU contract notice** and the **tender invitation documents**: how were the local authority's original requirements advertised in terms of scope and overall contract value? Can the contract variation be accommodated within the parameters of the project as originally advertised? Was the possibility of the change made known to tenderers during the competitive phase? If yes, this is likely to show compliance with the principles of transparency and equality of treatment.
- Engage your lawyers to do a thorough review of the terms of the existing contract. Did the parties foresee the need for later changes of the sort now envisaged? Does the contract include a change control procedure that sets out clear and transparent processes for handling changes in a pre-agreed manner? Was this specific change provided for in the terms of the original contract?

- It is always worth engaging lawyers to check whether the authority can rely on any of the exceptional grounds set out in the Regulations for negotiating contract extensions to accommodate additional services without having to undergo an OJEU process¹. These grounds are subject to caveats and tend to have a restrictive interpretation, but are still worth considering.
- Any local authority proposing to make a material change should seek legal advice on the risk of continuing with the contract. If the authority's variation is successfully challenged through the courts as an unlawful direct award, the authority could be fined, have the contract declared ineffective and set aside.

Going to the market

If the local authority decides to run a procurement exercise for its new waste collection requirements, it should note the following:-

With effect from 1 January 2012, if a local authority intends to award a contract with a value meeting or exceeding the thresholds in the table below, a full OJEU process is required:-

Public Contract	Total Contract Value (excluding VAT)
Service Contract	£173,934
Supply Contract	£173,934
Works Contract	£4,348,350

If an OJEU process is followed, the authority will need to identify the most suitable award procedure. This will depend on the complexity of the requirement and is likely to be a choice between the restricted and competitive dialogue procedures.

- The **restricted procedure** is a two-stage procedure in which the authority pre-qualifies candidates and invites them to tender. It is best suited to authorities that can clearly specify their requirements, and in response to which bidders can submit complete tenders without the need for negotiation.
- The **competitive dialogue procedure** is reserved for “particularly complex contracts” where the authority is not objectively able to:
 - define the technical means capable of satisfying its needs or objectives, or
 - specify the legal and/or financial make-up of the project, and

¹ Regulation 14 Public Contracts Regulations 2006

the authority considers the use of the restricted procedure will not allow the award of that contract.

If the authority did not want to undergo a full OJEU process, with the time and cost this entails, it may be able to secure a service provider under a Framework Agreement.

Frameworks are made up of service providers that have been pre-qualified and appointed to the Framework based on their PQQ and tender submissions. On the downside, the Framework may not comprise the full list of candidates that the authority would want to involve in a competitive tender, and so its choice of provider is limited to those on the Framework that take part in the authority's mini competition.

Similarly the authority would need to be comfortable with the terms on which the service providers were appointed to the Framework, ie that there is a good match between the items catered for under the framework and those required by the authority etc., since these should apply at the call off stage without "substantial amendment". Equally it is important to ensure that the framework does not expire before the likely award on contract.

Please see the following web link for potentially useful frameworks you may see as appropriate when developing your bid.

<http://www.win.org.uk/site/cms/contentChapterView.asp?chapter=51>