

Report to	Cabinet
Date of report	12 th April 2022
Lead Member / Officer	Cllr Brian Jones: Lead Member for Waste, Transport and the Environment / Tony Ward: Head of Highways, Facilities & Environmental Services
Report author(s)	Peter Clayton, Project Manager and Tony Ward, Head of Highways, Facilities & Environmental Services
Title	Phase 2 Waste Transfer Station, Colomendy Contract Award via Delegated Decision

1. What is the report about?

- 1.1. This report summarises the process undertaken to date in relation to the tender to deliver Phase 2 of the development of the new DCC Waste Transfer Station (WTS) required to support the proposed change to the Waste Collection model.
- 1.2. It also recommends that Cabinet agree to award a contract to the successful tenderer to deliver the Phase 2 of the development of the new DCC WTS via a Delegated Decision on conclusion of the tender process in the absence of Cabinet in May and at least the first part of June 2022. This is necessary in order to keep the project progressing and to avoid delay (and further costs) providing that the preferred contractors' submission is within the affordability envelope for the works.

2. What is the reason for making this report?

- 2.1. A Cabinet decision is required to enable the council to award a contract to the successful tenderer to deliver Phase 2 of the development of the new DCC Waste Transfer Station via a Delegated Decision on conclusion of the tender process. This is because there will be no Cabinet in May (when a decision from Cabinet would otherwise be sought) or for at least the first part of June 2022. A delay in awarding the contract would result in a further delay to the project and would almost certainly also result in additional costs to the council.

3. What are the Recommendations?

- 3.1. That Cabinet approve the award of a Contract to the preferred contractor via Delegated Decision by the Chief Executive (in consultation with the Section 151 Officer and Monitoring Officer) at the conclusion of the tender process, providing the Contractors submission is within the affordability envelope for the works. It is expected that the Delegated Decision will be taken on, or after, 5th May 2022.
- 3.2. That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration.
- 3.3. That the Delegated Decision is implemented immediately due to the time pressure to progress the programme and award a Contract to allow works to commence on Phase 2 on site as soon as possible to maximise the more favourable conditions for construction over the summer and mitigate the risks posed by ongoing market volatility and cost pressures.

4. Report details

- 4.1. Denbighshire County Council wish to appoint a Contractor to deliver Phase 2 of the development of a new Waste Transfer Station at Colomendy, Denbigh. These works follow on from the Phase 1 Enabling Works that have been delivered in collaboration with 4 businesses on the Colomendy Industrial Estate and were completed in March 2022.
- 4.2. A Report seeking approval from Cabinet to issue an Invitation To Tender (ITT) for Phase 2 was brought to Cabinet on 19th October 2021 and was approved. Since this point, work has been underway to develop the Phase 2 tender package whilst in parallel delivering the live Phase 1 tender on site in collaboration with the 4 businesses.
- 4.3. A contract notice for Phase 2 was published on the Sell2Wales procurement portal on 23rd March 2022 with a deadline for submission of 4th May 2022.
- 4.4. The tender is based on a weighting of 60% Price and 40% Quality, with a pre-tender estimated (PTE) value of £5.25M.
- 4.5. On tender close, an evaluation exercise will be undertaken to determine the preferred Contractor to deliver Phase 2. The intention is, in order to avoid further delay to the

programme for delivery of the new Waste Transfer Station, and given the absence of a Cabinet in May and at least the first part of June 2022, to award the Contract via a Delegated Decision assuming that the preferred tender sum is within the affordability envelope of up to £5.487M.

- 4.6. It is proposed that this Delegated Decision will be implemented immediately due to the time pressure to progress the programme and award a Contract to allow works to commence on site as soon as possible to maximise the more favourable conditions for construction over the summer and mitigate the risks posed by ongoing market volatility and cost pressures.

5. How does the decision contribute to the Corporate Priorities?

- 5.1. The planned changes to household waste collection will have a positive on the Corporate Priority, “Environment: Attractive and Protected, supporting well-being & economic prosperity”. It will increase the quantity and quality of recycling collected from households, and increase opportunities for closed loop recycling. It will also enable the potential expansion of local businesses, leading to employment opportunities and economic growth.
- 5.2. Community benefits were included as a stand-alone project specific question used in the tender evaluation methodology. As soon as the contractor is brought on board, a meeting will be convened with the Councils Community Benefit Manager, Karen Bellis.
- 5.3. Through adoption of technologies at the proposed new Waste Transfer Station (further details in Section 6), the aim is to minimise the impact of the site in support of the wider Corporate goals on net zero by 2030.

6. What will it cost and how will it affect other services?

- 6.1. The pre-tender estimated cost is £5.25M with a budget of up to £5.487M.
- 6.2. It is the intention that the new Waste Transfer Station will include technologies to reduce carbon footprint via use of Photovoltaic (PV) panels, air source heat pumps, rainwater harvesting and installation of Electric Vehicle (EV) charging points to enable migration to EV fleet.

6.3. The funding for this element of the project is part of a wider funding package to support the wider overall Waste Service Remodelling, of which the proposed new Waste Transfer Station forms a key element - see Appendix 2 for further detail on costs and funding.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. See Appendix 1 for further detail of WBIA undertaken for overall Waste Service Remodelling within which the development of a new Waste Transfer Station is a key element to support the proposed new service model. The overall outcome of the Well-being Impact Assessment is positive.

8. What consultations have been carried out with Scrutiny and others?

8.1. Approval to issue an ITT for these Phase 2 was given at **Cabinet** in October 2021 – see Appendix 3.

8.2. **Legal & Procurement Services** have been involved in undertaking the tendering exercise and in drafting the associated contract documents with additional support provided in drafting the Contract via Legal Services from an external legal firm, Hugh James.

8.3. **Denbigh MAG** are kept informed of progress and proposals for development including proposed new DCC Waste Transfer Station via a standing item on MAG Agenda.

8.4. Lead Member for Waste, Transport and the Environment and Lead Member for Finance consulted and updated via their position on **Project Board**.

8.5. The overall principle of developing a new Waste Transfer Station to support the overall waste collection service change was originally approved at **SIG and Cabinet** in December 2018 and subsequent updates were presented at **Cabinet Briefing** and **Communities Scrutiny** during 2019 & 2021 on progress. In addition, purchase of land in Colomendy, Denbigh and development of proposed WTS on that land as preferred option, also went to **AMG** in March 2019.

8.6. **Chief Financial Officer** has been consulted – see response below:

9. Chief Finance Officer Statement

- 9.1 The delegation to award the contract to deliver the development of the Phase 2 Waste Transfer Station, Colomendy, forms a vital part of the overall waste project. The recommendations are therefore supported assuming that the revised Business Case for the overall project and the related recommendations around delegation (also on this agenda) are approved.

10. What risks are there and is there anything we can do to reduce them?

- 10.1. Contract costs – Risks have been identified within the tender documents with a process included for them to be regularly updated with the responsibility for the risk also identified. The main action that can be taken to contain costs is to make the contract award as soon as possible after the deadline for submissions on 4th May 2022. Any delays in awarding the contract will result in subsequent delays in constructing the WTS, and delays in implementing the service change, both of which will cost the council additional money.

11. Power to make the decision?

11.1. Part II Environmental Protection Act 1990

11.2. s111 Local Government Act 1972

11.3. s120 Local Government Act 1972