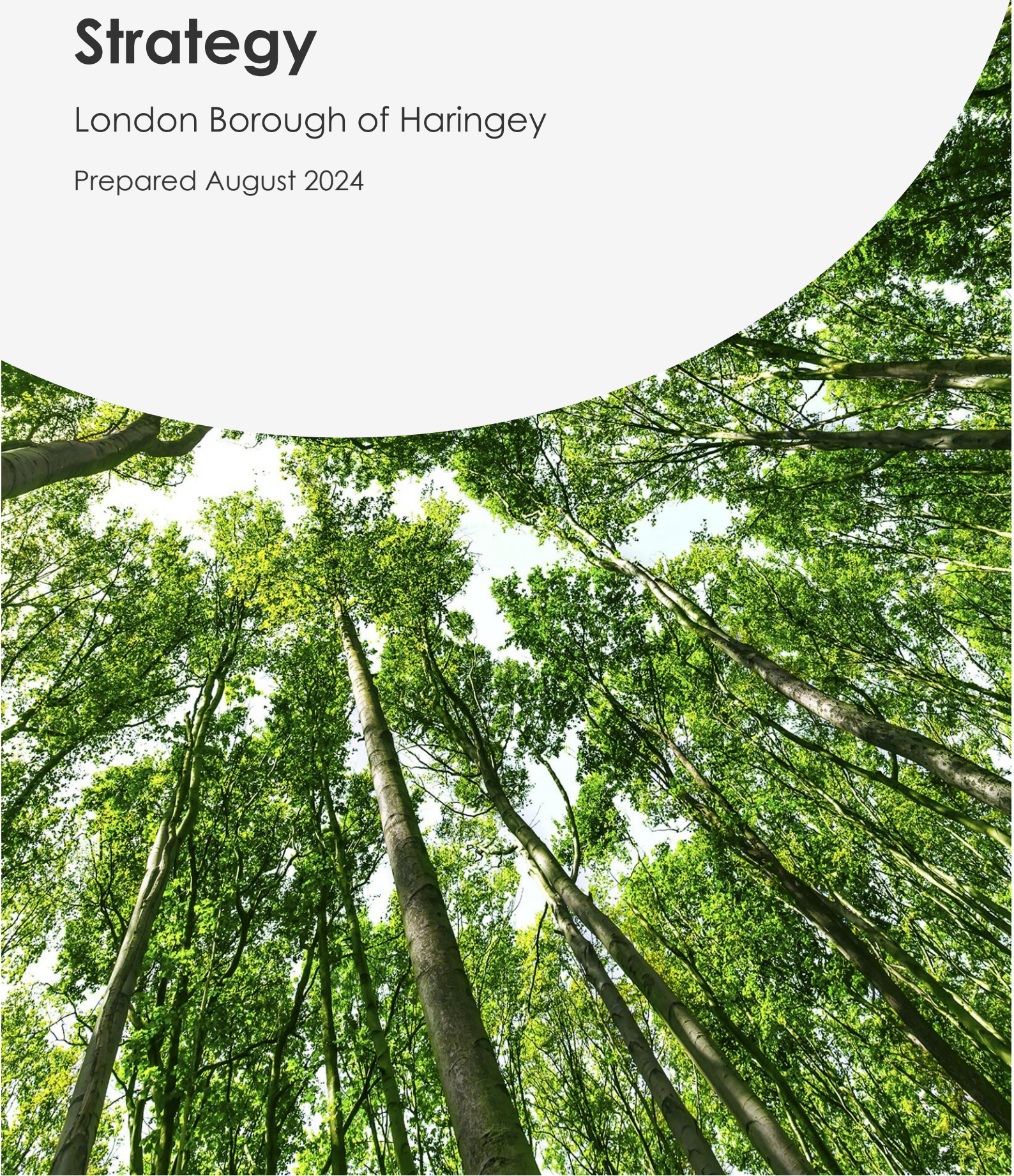


Procurement Strategy

London Borough of Haringey

Prepared August 2024



Report For

London Borough of Haringey

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1.0 Purpose

The purpose of this Procurement Strategy is to:

- establish that the procurement project that is being considered is desirable, viable and achievable;
- set the key principles that will be followed during the procurement of the new Recycling & Waste Collection, Street Cleansing and Ancillary Services Contract ("the Contract");
- identify the preferred route to implementing the chosen procurement procedure; and
- act as the reference document that the Project Team and relevant governance groups will use to ensure that the project has clear mandate, definition, direction and control.

The Procurement Strategy will be used as a reference:

- when a major decision is taken during the procurement stage of the project;
- at the end of key gateways during the project life cycle; and
- at the conclusion of the procurement process to measure whether it delivered the anticipated benefits and outcomes.

The Procurement Strategy must satisfy a number of critical success factors and strategic requirements from the perspective of:

- the Authority, by:
 - delivering the Key Service Priorities of the Contract and ensuring alignment with the Core Priorities of the Authority;
 - delivering benefits (both quantitative and qualitative) and value for money; and
 - addressing achievability considerations, so that the Authority can innovate, adapt and introduce new ways of working.
- the supply side, by:
 - ensuring there is a mature market with experience of delivering similar contracts (capability considerations); and
 - designing a procurement process which secures the market's interest and competition (capacity considerations).

2.0 Background

The London Borough of Haringey ("LB Haringey" or "the Authority") commenced the current contract in 2011, with an initial 14-year term with a review point at year 7, and the option to extend for a total of 7 years. In 2022 LB Haringey undertook an assessment of the available service delivery options at the end of the initial term in April 2025. Following negotiations with the current contractor the decision was taken in September 2023 to extend the contract for 2 years until April 2027. The Authority indicatively made the

decision to undertake a new procurment exercising (pending Cabinet approval in late 2024), noting that Veolia would have been in term for 16 years and the contract and supporting documents were in need of being updated. The commencement date of a new contract would be April 2027.

LB Haringey is home to over 250,000 residents, as of February 2024, it is estimated that LB Haringey serves 114,000 properties, this is made up of Kerbside / HMOs, Communal / Estates and Flats above Shops, as split out in Table 2-1. The length of roads per zone is also provided in Table 2-2, with a total road length of 350,00 meters.

Table 2-1: Property Numbers

Property Type	Households
Kerbside	76,853
Communal	29,933
Flats above shops	7,308
Total ¹	114,094

Table 2-2: Length of roads by zone

Zone	Length
Zone 1	60,000
Zone 2	290,000
Total	350,000

The scope of services indicatively planned to be included in the new contrat is listed in section 10.2.

¹ Accurate as of February 2024

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3.0 Lessons Learnt from the Current Contract

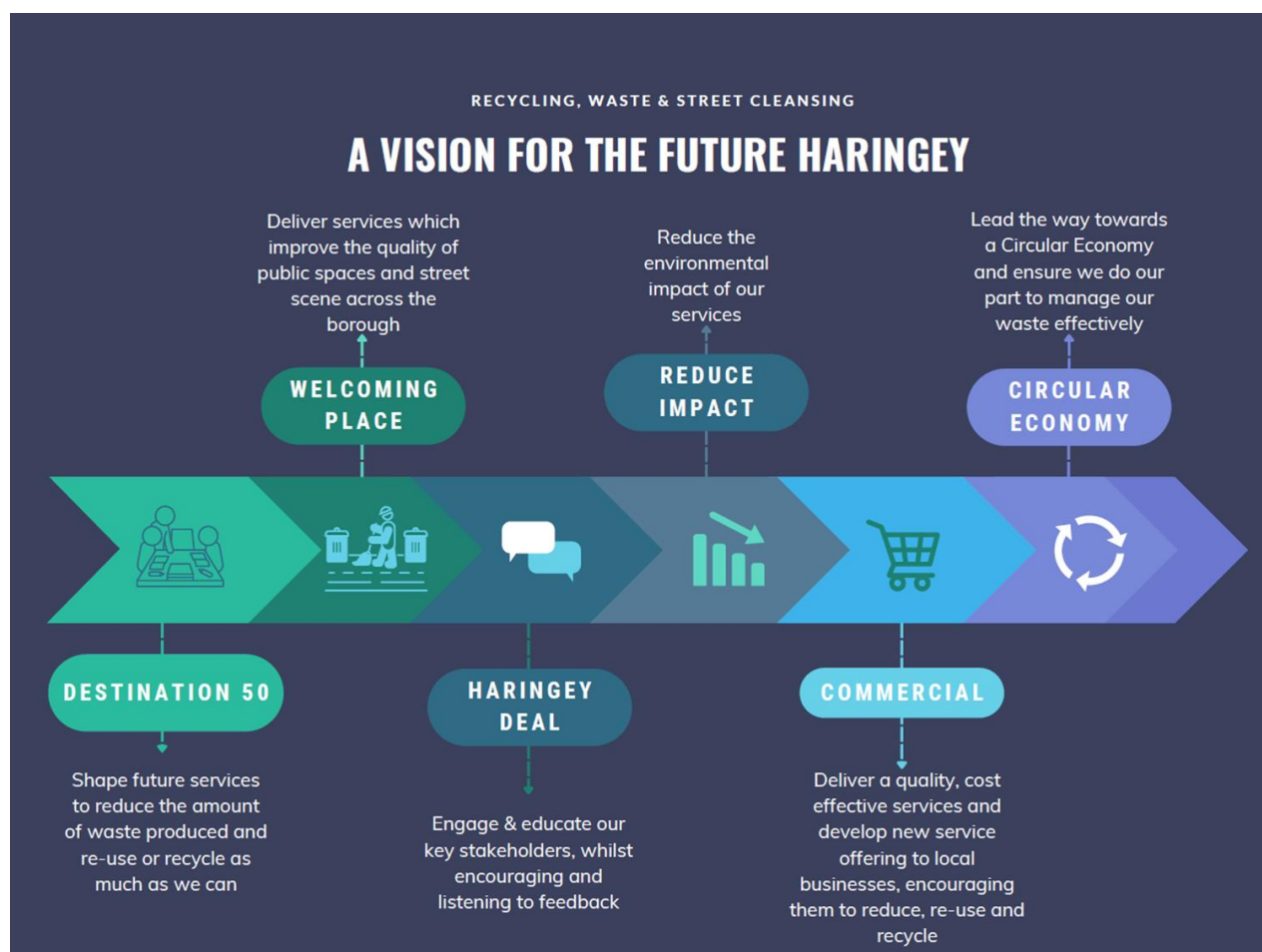
At a workshop session on 11th July, officers agreed that the following lessons could be learnt from the current contract and need to be considered as part of the procurement of future services. The key lessons can be broadly summarised as follows:

- The Payment and Performance Mechanism ("Paymech"):
 - There are currently 68 KPIs (called "COTs" in the existing documentation), including around 20 KPIs on street cleansing and numerous which are not measured. As a result, the process does not work currently as planned.
- Finance systems:
 - Due to the nature of the services and the need to adapt to new challenges, there have been numerous changes to the contract over the last 13 years. Removing and adding resources has created a complex financial balance, which over time becomes difficult to integrate to ensure value for money is being achieved.
 - The current process for paying for additional services can become complex due to limited data and a new digital system is being investigated to resolve some of these issues.
 - The Authority currently compensates Veolia for each bin delivered. Additionally, there is a markup on the costs that ideally should be a direct pass-through. To improve clarity and efficiency, the Authority is exploring the development of a digital system to better manage these processes.
- IT and Digital:
 - The contract has basic IT functionality and does not provide a full service to officers or residents. For example, service requests are raised via email, which does not give tracking visibility and may get lost. If residents log a request online, they have no way of tracking the outcome of that request. Veolia use ECHO and the Authority does not have access to the system which inhibits their overall visibility of Veolia's systems.
- Partnership working:
 - There is good communication at present between the contractor and the Authority, which allows for strong partnership working. This partnership approach is not based on a particular governance structure but instead based off a good balance of personalities between the Authority and Veolia staff.

4.0 Strategic Outcomes

Following engagement with businesses and residents in 2023, LB Haringey have developed their vision for future services, which is summarised in Figure 4-1:

Figure 4-1: LB Haringey Vision



The following strategic outcomes for the waste and street cleansing contract are intrinsically linked with that vision:

- **Strategic Outcome 1:** Provide services which help residents reduce the amount of waste produced and re-use and recycle as much as possible.
- **Strategic Outcome 2:** Deliver services which improve the quality of public spaces and street scene across the borough.
- **Strategic Outcome 3:** Reduce the environmental impact of our services.
- **Strategic Outcome 4:** Deliver a quality and cost effective service to businesses which encourages them to reduce the amount of waste produce and re-use and recycle as much as possible.
- **Strategic Outcome 5:** Lead the way towards a Circular Economy.
- **Strategic Outcome 6:** Deliver a flexible and innovative service, which priorities transparency between Council, Contractor and Customer, using the latest technology.

5.0 Procurement Procedure

It is recommended that the Competitive Flexible Procedure is chosen as the procedure for the procurement of the new contract. The old style 'Competitive Dialogue' procedure will be used to help form the key stages of the Competitive Flexible Procedure (e.g. two rounds of submissions and dialogue stages), with there then being a "Preferred Bidder" stage to allow negotiation with the winning market operator on key commercial terms. The final design of the procedure will need consideration and final approval by the Authority.

5.1 Authority Considerations

Previous procurements have adhered to the Public Contracts Regulations 2015 ("PCR 2015"), however as this procurement will see the contract notice published in 2025, the Procurement Act 2023 ("PA 2023") will instead be the relevant legislation. Table 5-1 sets out the relevant procurement procedures under PCR 2015 and the new procedures which will replace the current ones under the PA 2023 when it comes into force.

Table 5-1: Current Procedures vs New Procedures

Current procedures	New procedures
Public Contracts Regulations 2015	Procurement Act 2023
Open Procedure	Open Procedure ("OP") <i>"a single-stage tendering procedure without a restriction on who can submit tenders"</i>
Restricted Procedure	Competitive Flexible Procedure ("CFP")
Competitive Procedure with Negotiation ("CPN")	<i>"such other competitive tendering procedure as the contracting authority considers appropriate for the purpose of awarding the public contract"</i>
Competitive Dialogue ("CD")	
Innovation Partnership	

Under the PA 2023 the options for a competitive procurement procedure are the OP and CFP. The Authority has to make sure the procedure is a proportionate means of awarding the contract, having regard to the nature, complexity and cost of the contract. Based on the contract size and complexity it is recommended that the CFP is chosen. The reasoning behind this is in Table 5-2:.

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Table 5-2: Comparison between OP and CFP

Factors	Considerations	OP	CFP
Time	OP is a single stage and will take less time than CFP. Under CFP the number of stages is not set and so the Authority can have flexibility based on the time available (modelling of the procurement timeline has assumed a CFP procedure which follows that of an existing CD procedure). At present the authority has set aside an adequate timeframe for the implementation of the project; therefore, time is not considered a factor for the discounting of these procurement procedures.	✓	✓
Quality	In a CFP there are multiple stages where the bidders are tested which should result in a better a contract with a contractor who can confidently run the service. Additionally, in an OP anyone can bid, whereas in a CFP it is restricted to a set number of bidders who have shown that they have the capacity and capability to run a contract of this size.		✓
Cost	A CFP will involve multiple stages (a selection stage, 'detailed' solution stage, and a 'final' tender stage), whilst an OP which will have only the one stage. As such, undertaking an OP would incur lower costs for the Authority when compared to a CFP. However, the Authority has secured adequate budget to deliver the project and for external technical, procurement, commercial and legal support which will allow a CFP to be undertaken. Additionally, the CFP will allow negotiating on key commercial and financial terms (covered below) which can help manage the overall contract cost. In summary, whilst the OP will be cheaper to undertake compared to a CFP, the CFP offers a chance to negotiate with bidders on financial matters which can be critical in helping to address affordability concerns.	✓	✓

Factors	Considerations	OP	CFP
Scope	The scope of the new Contract is not affected by the selection of the procedure selected.	✓	✓
Benefits	Whilst both procedures can offer benefits to the Authority, it is felt that the ability to undertake negotiation with the market under the CFP will provide more real benefits to the Authority, both with regards to the quality of the service being offered by bidders, as well as in managing cost implications. The OP does not offer this key negotiation element.		✓
Risk	<p>Officers have analysed both procedures in terms of risk and the CFP has been identified as the preferred option as it offers the following advantages:</p> <ul style="list-style-type: none"> Flexibility: The CFP offers more flexibility during the delivery of the process, as the Authority can design a process that will allow them to continue the process until they are satisfied that a solution (or solutions) which are capable of meeting their needs has been identified (a similar approach to a CD procedure). Dialogue/Negotiation: the CFP can be used more effectively to meet the Authority's needs as it allows the Authority to dialogue with the selected bidders on all aspects of the procurement. This can cover both quality elements such as the service delivery approach, and commercial elements such as risk pricing and the contract cost. In comparison, the OP does not allow this negotiation, which may result in bidders including risk pricing within their tenders as they have not had the chance to clarify key terms with the Authority. Commercial terms: due to the Authority having the flexibility to design the CFP to meet their needs, they can include a preferred bidder stage at the end of the process to allow, at the request of the Authority, the 		✓

Factors	Considerations	OP	CFP
	tender submitted by the preferred bidder to be further clarified, specified and optimised to confirm the financial commitments or other terms. It would be important to ensure that this negotiation does not have the effect of materially modifying essential aspects of the tender and does not distort competition or cause discrimination.		

When considering the CFP, as the Authority has flexibility to design this process, officers have considered how this procedure could be structured with an eye to the current CPN and CD procedures.

Following discussions, it was decided that holding dialogue / negotiation with bidders was a key aim for the Authority (e.g. to discuss elements such as the cleansing services, vehicles, commercial waste service), and as such, it would probably be more suitable to structure the CFP in a similar vein to the existing CD procedure. However, it is envisaged that further consideration would be undertaken by the Authority and its advisory team prior to the commencement of the procurement process, to assess whether it may be beneficial to take advantage of the flexibility under the CFP to weave some additional or alternative features into the basic CD model.

5.2 Market Engagement

During the informal soft-market engagement undertaken in June 2024, the procurement procedure was discussed with market operators. Due to the PA 2023 only coming into force from October 2024, none of the market operators have yet experienced a procurement procedure under the new regulations and therefore did not have any set ideas on how the CFP could, or should, be structured.

Nevertheless, all market operators insisted on a few important elements:

- The need for dialogue sessions to be included within the procurement process.
- The need for dialogue sessions to be open and productive (e.g. actions must be completed by both parties in-between the dialogue sessions).
- The need to avoid the multiplication of dialogue sessions which may become a burden for the bidders and the Authority and delay timelines.

The summary of the informal market engagement can be found in Appendix A.1.0.

6.0 Contract Nature

It is recommended that the new Contract is procured as one single package of service and not divided into lots.

6.1 Authority Considerations

As per the PA 2023 Section 18 (Duty to consider lots), a contracting authority must consider whether the goods, services or works to be supplied under the contract could reasonably be supplied under more than one contract and whether such contracts could appropriately be awarded by reference to lots. The contracting authority must make clear whether lots are to be used in the procedure, and if not, their reason for doing so.

Table 6-1: summarises the relevant considerations that have led to the recommendation that the single package of services has the potential to deliver the Authority's outcomes more effectively. As such, this procurement strategy serves to provide reasons for the Authority not utilising lots.

Table 6-1: Consideration of Lots

Factors	Considerations	Single Lot	Multiple Lots
Attractiveness to Bidders	Both options have the potential to attract bidders. The multiple lots option has the potential to attract smaller and more specialised organisations which are often unable to bid for contracts of this scale. This issue can be overcome, to a certain extent, by sub-contracting arrangements; groups of economic operators bidding for the opportunity; promotion and development of the local supply chain. A disadvantage of the multiple lots option is that the value of the contracts would be significantly reduced and this could make the opportunity less attractive to bigger organisations, at a time when there may be many contracts being procured concurrently.	✓	✓

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Factors	Considerations	Single Lot	Multiple Lots
Service Delivery	<p>The single lot option has the potential to minimise demarcation inefficiencies and interface risks at the point of delivery and overall can promote a stronger brand across the Authority's area and increased accountability.</p> <p>It could be argued that street cleansing may receive less focus and attention than waste collection in a single lot option, however this can be mitigated by the appropriate mechanisms in the procurement and contract documents.</p> <p>Another consideration in favour of the single lot option is the management of the depots and the fact that the same depot locations would need to be used by different contractors under the multiple lot option.</p> <p>The separation of the contract into lots may also require the use of different management information systems by the client and the contact centres.</p>	✓	
Economies of scale	<p>The single lot option has the potential to deliver economies of scale compared to the multiple lots option. In particular, the multiple lots option would require separate operational and contract management structures which could increase costs to both parties.</p>	✓	
Contingency	<p>The single lot option has the potential to provide additional contingency to the</p>	✓	

Factors	Considerations	Single Lot	Multiple Lots
	Authority, particularly for its ability to enable stronger staffing and assets co-ordination in the event of operational failures.		
Resilience	To the extent that the Authority are placing their trust in a single provider under the single lot option, it could be argued that the multiple lot option could give rise to further resilience due to the participation of multiple market operators in the delivery of the services. However, both options are equally viable if the procurement process adequately analyses the robustness of the financial strength of the provider(s) and mitigates against this risk in the conditions of contract and the correct contract and performance management culture.	✓	✓
Service Provision	There is a risk that, through the multiple lots option, one service provider, whose core business is in one lot area, and who plans to sub-contract other lots to service specialists in the event of award of multiple lots to it, may be unsuccessful in the award of the lot which falls within its main business area and successful in the other lots. This scenario may deliver a contract where the main contractor becomes disengaged with the delivery and performance of the services given that the service specialist(s), who will be delivering the services for the Authority, are acting as sub-contractors and who, in turn, will be limited in their ability to develop the contractual and partnership aspirations of the Authority.	✓	

Factors	Considerations	Single Lot	Multiple Lots
Market Experience	There is experience of delivering similar services contracts using both options.	✓	✓

6.2 Market Engagement

During the informal market engagement, the market operators advised that their preference is for LB Haringey not to divide the service into lots. The main reasons listed for these are:

- Value for money: efficiencies are achieved between the services (waste and street cleansing) and overheads and administrative costs for LB Haringey are reduced by the sharing of a single contractor.
- There is a single point of contact, ownership and accountability for all services.
- Dividing the service into lots creates a risk for market operators as they may secure one lot but not the other(s). This may make the contract less appealing.

7.0 Contract Length

It is recommended that the procurement of the new Contract is implemented on the basis that the contract length is for an initial term of 8 years, followed by the ability to mutually extend for up to a further 8 years. The extension period could be made up of multiple extension periods, for example two 4+4 year periods, or alternatively, the length could be kept open to agreement between the parties so long as it does not exceed the 8 years.

7.1 Authority Considerations

Table 7-1: summarises the key considerations that led to the recommendation on contract length.

Table 7-1: Contract Length

Factors	Considerations	7 years	8 years	10 years
Vehicles	<p>Vehicles are likely to represent the most significant area of capital investment and asset value realisation is a key consideration for the selection of a contract length.</p> <p>In general, longer contract terms will allow more time to efficiently recover the capital investment required following purchase of</p>	✓	✓	✓

Factors	Considerations	7 years	8 years	10 years
	<p>new vehicles, particularly if there is no provision to transfer existing vehicles to the new contractor. This being said, as the Authority plans to purchase the vehicles themselves; they then have greater flexibility regarding the depreciation period compared to a contractor should they be required to purchase the vehicles. This means that typical arguments regarding vehicle depreciation periods are less critical in this scenario.</p> <p>Additionally, the Authority also has the option, and may choose, to purchase the existing vehicles from the current contractor. This however would be limited to a certain number of vehicles which would have residual life remaining in 2027 and can then be used in the new contract.</p>			
Lifespan of assets	<p>The lifespan expectation of waste collection vehicles is now longer than the "historical" 7 years that the market and contracting authority have used in the past (and is what is reflected in the current contract), as a result of improved vehicle specifications, more adequate maintenance regimes and vehicles not driving over irregular terrain (i.e. landfill sites). Although 10 years is the maximum ceiling that should be considered, in the context of potential utilisation of new technologies to power vehicles, it could be argued that 8 years represents the best balance of risk to the Authority.</p>		✓	

Factors	Considerations	7 years	8 years	10 years
Assets replacement cycle	Historically, most of the street cleansing maintenance assets would be depreciated over a four-year period, therefore the 8-year contract would allow two complete cycles of depreciation. However, more street cleansing assets (e.g. cage tippers), alongside the waste assets, are now depreciated over an 8-year period due to improving technology and more stringent maintenance regimes. Typically, it is now only the smaller mechanical sweepers and other smaller vehicles which would still be depreciated over a four-year period and could then still benefit from two complete cycles of depreciation. Market operators have explained that operating assets after 10 years is possible, however this incurs significantly higher maintenance costs in the last two operational years.		✓	
Flexibility of the extensions	The flexibility built into the extension provisions offers an opportunity to the Authority to adapt to future service changes and technological advancements, innovation, and financial pressures, taking into account the contractor's performance and the Authority's strategy at the point of contract extensions. This consideration is not affected, to a large extent, by the contract length.	✓	✓	✓

7.2 Market Engagement

All market operators were in favour of an 8 to 10-year contract, and most said that their preferred contract length is 8-years, with an 8-year extension period. All market operators insisted on the extension being by mutual agreement of both parties.

8.0 Contract Award Criteria

In accordance with Section 19 (Award of public contracts following a competitive tendering procedure) of the PA 2023 (as the legislation this contract would be contracted under), the Authority will base the award of the Contract on the Most Advantageous Tender (MAT).

The Authority will apply a Quality/Price split of 60% Quality and 40% Price. 10% of the total score will be held for Social Value and this shall sit within the Quality component. As such, this results in a Quality/Social Value/Price split of 50%/10%/40% respectively.

8.1 Authority Considerations

This section of the Procurement Strategy aims to provide the required information to support the decision on the preferred weighting to be applied between quality and price.

The Authority must identify the best route to achieve the Most Advantageous Tender ("MAT") by selecting a methodology which is relevant to the particular procurement being undertaken and assessed on the basis of criteria linked to the subject matter of the contract.

The MAT represents the basis upon which the best price/quality weighting will be achieved. Contracting authority have relative freedom and flexibility on the choice regarding the weight between quality and price. The decision is down to the discretion of the Authority and there are no market-accepted or recommended best-practice models to achieve the best split. The decision is linked to the Authority's desired outcome of the procurement and the constraints that the Authority face when commencing the procurement.

Whichever methodology is chosen, the Authority must ensure compliance with the general principles of:

- Delivery value for money;
- Maximising public benefit;
- Sharing information;
- Acting and being seen with integrity;
- Treat suppliers the same;
- No unfair advantage or disadvantage; and
- Duty to Small and Medium Enterprises (SMEs) – for regulated below-threshold contracts (not applicable for this contract).

LB Haringey has a default approach of 60/40 on Quality/Price. As part of the overall score, 10% must be set-aside for social value. It is left to the relevant Authority department to decide the exact split for the purposes of evaluation.

8.1.1 Excluded Options

A price/quality split which achieves 70% weight or more in favour of price should be excluded. Over-emphasis on price may lead to a “race to the bottom” on price during the procurement stage and deliver an unsustainable contract post award. While the contracting authority may feel that this weight in favour of price is more likely to deliver “value for money for the taxpayer”, this race to the bottom can instead create a higher risk of abnormally low tenders. It could also lead to service quality issues such as under-resourcing which will later cost the Authority more to manage.

A price/quality split which achieves 70% weight or more in favour of quality should be excluded. It may be relevant in procurements where for example the contracting authority is testing wholly new solutions, there are a few sources of supply or very complex specifications need to be developed “in consultation with the market”. A very low price weighting would not be appropriate to this procurement project given, amongst other factors; the value of the contract; the reputational risk of procuring a service which is not affordable; the longevity of the contract; and the Authority's financial situation.

9.0 Approach to Down-Selection

It is recommended that the Authority selects four potential providers at the SQ stage. The four selected bidders will receive an invitation to participate in dialogue and enter the next ('Detailed Tender') stage. Following the evaluation of the detailed solution submissions, the four selected bidders would be invited to submit a Final Tender. As such, there will be no down-selection between the 'Detailed Tenders' and 'Final Solution' stages (the exact names for each phase will need confirmation depending upon the exact structure of the CFP).

9.1 Authority Considerations

The Authority have given consideration to the anticipated number of stages that are required for the CFP procedure and the approach to down-selection.

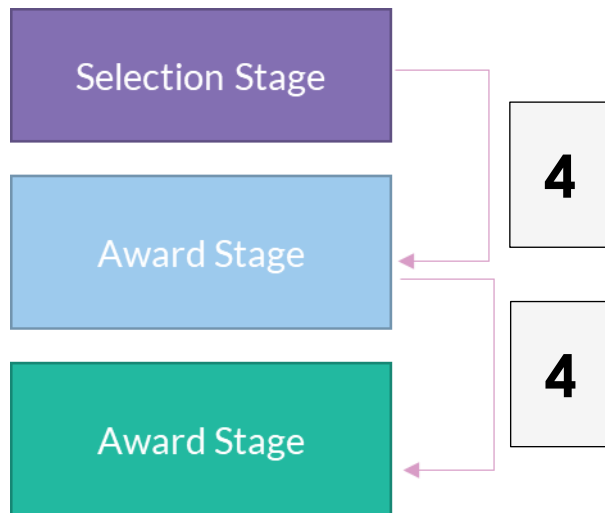
Figure 9-1 shows the stages of the procurement process that will be undertaken and the number of bidders that the Authority may consider for the selection and the award stages. The approach to down-selection is mainly driven by the market size, the knowledge of the industry, the constraints on time and cost on both the Authority' and the bidders' side and the need to deliver a procurement process which is attractive to the market operators. It is important to stress that this outcome will be dependent on a number of critical factors, mainly securing and maintaining competition and market interest during the implementation of the procedure. The decision to take four bidders through from selection stage is to ensure the authority does not 'miss out' on competition between bidders during the procurement process should any bidder withdraw following the selection stage.

9.2 Market Considerations

The approach to down-selection was not discussed with market operators in the informal market engagement. However, based on previous market engagements, bidders have stated that their preference is to participate in a procurements whereby if they progress through the first stage, they would then know they would be able to participate throughout the remainder of the procurement. I.e.

there would be no risk of being down-selected between the first and final stages Therefore, processes where there is no down selection between stages is preferred.

Figure 9-1: Approach to Down- selection



10.0 Other Procurement Considerations

10.1 Variant Bids

It is recommended that variant bids are not accepted.

Under the PA 2023, there is no explicit reference to the use of variant bids. However, given that the CFP is the preferred procurement procedure, the Authority would have flexibility to allow this as they can design the procurement procedure themselves.

If the Authority authorises variants, they will need to state in the procurement documents the minimum requirements to be met by the variants, in particular whether variants may be submitted only where a tender, which is not a variant, has also been submitted.

Officers concurred that variant bids will not be accepted for several reasons including:

- the additional cost put on bidders in developing variant bids and the implication of the opportunity becoming less attractive;
- the additional resource needed to evaluate bids on the Authority's side substantially increasing the cost of the procurement; and
- the context of the chosen procurement procedure.

10.2 Key elements of service design

It is recommended that the specification is designed so that it achieves the best balance between:

- the outcomes and the desired aspirations for the services that the contractor must achieve without unnecessary prescription limiting market's innovative solutions; and
- the input requirements and the clarity of scope for those areas where the needs and the requirements can be clearly identified and defined.

Officers, with the support of Eunomia, will develop the technical and service specification prior to the publication of the FTS notice.

Services in Scope

The Authority has indicated the services likely to be in scope of the new contract in the following sections:

Waste Collection Service

- Domestic Recycling
- Domestic Food
- Domestic Residual
- Domestic Garden (chargeable)
- Timebands/ Clear all
- Commercial Recycling
- Commercial Food
- Commercial Residual
- Non-Domestic Recycling
- Non-Domestic Food
- Non-Domestic Residual
- Bulky (chargeable)
- Clinical Waste
- VOIDS (Provisional)
- Passover
- Christmas Trees

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- Kerbside –WEEE
- Library Collections
- Skips Collections
- Bring Bank Collections

Cleansing Service

- Cleansing (Manual & Mechanical)
- Estates Cleansing
- Fly Tipping removal
- Graffiti & Fly posing removal
- Out of Hours/ Emergency Response
- Public Convenience
- Leaf Fall
- Weed Control
- Hot Wash
- SUDs
- Cycle Lanes
- Dead Animals
- Litter bins
- Car Parks
- Subways/bridges/footbridges
- Markets (Anticipated Change)
- Stadium Cleansing

Ancillary Services

- Container Management and Delivery
- Winter Maintenance
- Vehicle Hire (Provisional)
- Contact Centre (Provisional)
- Events

Provisional Services/ Anticipated Changes

The Authority may include provisional services and anticipated changes. One anticipated change could be the transition to electric vehicles. A decision on the inclusion of provisional services and anticipated changes will be taken prior to the publication of the FTS notice.

10.3 Social Value

The Authority already has a clear set of TOMs which meet the needs of the borough and the Authority's social value objectives. It is recommended that the Authority use this approach.

Eunomia further recommends building in a level of flexibility into the contract documents to allow changes to be made to the social value measures throughout the course of the contract life (as suggested by Veolia), whilst still holding the contractor to their commitments.

The Authority has a policy in place to use the SVP to leverage and manage social value commitments through procurement exercises. As such, this will impact upon the waste and street cleansing contract, with bidders being required to include social value commitments as part of their tender. Previous procurements by the Authority have had a desire to promote:

- Local employment;
- London living wage;
- Cleaner air in Haringey;
- The use of local suppliers;
- Ethical buying;
- Lowering the Carbon footprint;
- Lowering Carbon Omissions; and
- Sustainability.

Haringey has a set of TOMs which have been set out to meet the Authority's objectives, which largely already cover the elements above.

10.3.1 Market Engagement

During the market engagement the market operators were asked about the SVP. All suppliers provided a summary of key social value commitments they could implement on the LB Haringey contract should they be the winning bidder (see Appendix A.1.0 for full details). The market operators also outlined their previous experience of implementing social value measures on similar contracts. Common themes or commitments included:

- Offering local employment opportunities;
- Providing paid leave for staff to volunteer locally;
- Providing training and apprenticeships;
- Liaising with, and supporting, local community groups and charities;
- Supporting the local economy by choosing small, local suppliers; and
- Running education and awareness campaigns in schools and the wider community.

The suppliers noted that their choice of commitments would be chosen as part of the bid process, and they would seek to ensure alignment of the measures with the Specification and LB Haringey's aspirations.

10.4 Modern Slavery

It is recommended that the contract include a specific clause on Modern Slavery to ensure the Councils requirements are met (the draft contract provided by Eunomia has such a clause).

It is vital that councils, LB Haringey included, ensure that all instances of modern slavery are avoided. The contract can be tailored to ensure there is a clause that covers Modern Slavery. The contract has the following clause under Modern Slavery:

"The Contractor shall at all times comply (and shall require that each of its Sub-Contractors shall comply) with all Modern Slavery Legislation, including without limitation section 54 of the Modern Slavery Act 2015. The Contractor acknowledges, understands, and accepts that the Authority is subject to the requirements of section 52 of the Modern Slavery Act 2015 (the "Duty to Notify") and, where so requested by the Authority, shall assist and co-operate with the Authority at its own expense in order to enable the Authority may comply with its Duty to Notify. The Contractor hereby warrants that, so far as it is aware, no MSA Offence is occurring within its business or that of its Sub-Contractors or in its supply chain."

This can be adapted or expanded to ensure any contractor will adhere to this clause.

10.5 IT/ Digital

It is recommended that the specification is tailored to ensure it is in line with the Authority's requirements.

In a future contract, the Authority has an aspiration to continue improving the service provided to residents, and as such would like to work towards improving the response times to customer complaints. In order to achieve this aim, the Authority can tailor the specification and ask for bidders to provide a suitable solution, so that this improved service quality is addressed by any future incoming contractor and response times are improved. The Authority can also make the response times an SLA that the contractor will have to meet.

11.0 Affordability

The Authority does not want to set a maximum budget for bidders, which would result in an automatic disqualification from the procurement process. Officers felt that use of such a measure would result in bidders aiming for this figure, instead of pricing based upon the specification and requirements.

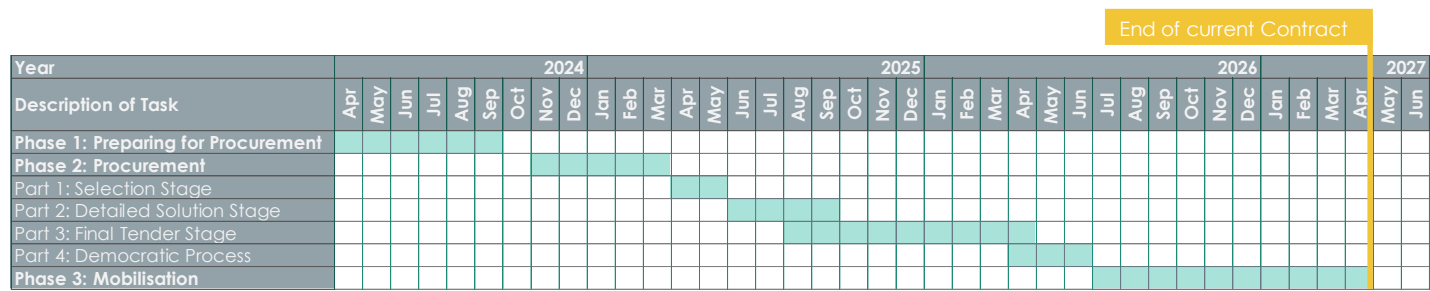
It must however be noted that affordability is a significant risk with such a contract, and the Authority is expecting to make savings against the contract through the procurement.

The procurement process recommended allows for dialogue with bidders, the Authority recognised that these sessions offer a more flexible approach to managing affordability expectations.

12.0 Indicative Procurement Timetable

Error! Reference source not found.Figure 12-1 outlines the indicative procurement timetable. A detailed project plan has been developed to support this process and is available in Appendix A.2.0 of this strategy.

Figure 12-1 Indicative Procurement Timetable



The procurement process is assumed to be undertaken under the CFP (as recommended in section 5.0), however the naming of the stages has followed the current CD process. Due to the flexibility inherent in the CFP, the naming of the stages can change to the Authority's preference.

13.0 Project Governanace and Control Framework

It is recommended that the authority have a formal project management structure at the commencement of the project, with the Project Team reporting into the Project Board. Eunomia recommends a Steering Group is established along with Project Board. The roles of these are described below:

- Steering Group:** This group will make the day-to-day operational decisions on the procurement procedure. This will be made up of a core group of individuals. Any decisions made in the Steering Group will be passed to the Project Board for approval. Typically, the Steering Group would meet weekly during the key periods of the procurement, with the frequency decreasing during the quieter periods of the procurement.
- Project Board:** This group has oversight over the whole procurement process and will make all final decisions on the key elements of the procurement process. The Project Board will also oversee and manage any related risks and advice on mitigating actions. The Project Board would typically meet fortnightly during the key periods of the procurement, with this frequency dropping to monthly as necessary. It is recommended that a Project Board 'pack' be used which provides a dashboard summary; the updated timeline; a risk log; and a key decision log. Decisions that may be made by the Project Board include, by way of example: assessing the level of risk posed by a bidder's solution and whether the proposals represent a critical transfer of risk; whether to approve amendments to the specification and the KPIs; and the Authority's stance on key legal clauses, such as Qualify Change in Law provisions.

Once the contract has been awarded, concentrated resources will be needed to mobilise the new contract. Contract mobilisation roles are time intensive, with ongoing contact with the new contractor to

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facilitate collaboration and problem solving. Key elements during any mobilisation typically revolve around vehicle procurement and IT set-up and integration.

Appendix

A.1.0 Informal Market Engagement Summary



Informal Market
Engagement V1.0.doc

A.2.0 Procurement Timeline



LB Haringey -
Procurement Timeline

