

REPORT OF THE STRATEGIC DIRECTOR AND CHIEF FINANCIAL OFFICER
TO THE EXECUTIVE
5 OCTOBER 2007

Joint Procurement of Waste Collection Services – Memorandum of Understanding

1.0 Introduction and Report Summary

- 1.1 The Vale has been working for a year with West Oxfordshire District Council (WODC) and South Oxfordshire District Council (SODC) with a view to jointly procuring the next contract for waste collection services. A recent report produced for the Oxfordshire Waste Partnership indicated that this was the lowest risk / best option for Oxfordshire Waste Collection Authorities (WCAs) in terms of achieving financial efficiencies within the time frame of placing new contract(s) in 2009/10.
- 1.2 The Vale's Deputy Director for Contracts and Procurement is currently exploring two options for delivering the new contract(s) – a tri-partite approach by WODC, SODC and the Vale; or support for the South East Centre of Excellence, who are aiming to put in place Regional Framework Agreements for use by WCAs in the South East.
- 1.3 Joint working between the three authorities would be greatly facilitated by a Memorandum of Understanding committing each authority to the joint procurement exercise, to be signed by each participating authority as part of the governance arrangements.
- 1.4 The contact officer for this report is Steve Bishop, Strategic Director (Chief Finance Officer) 01235 540332. steve.bishop@whitehorsedc.gov.uk.

2.0 Recommendations

- (a) *The Executive approves that the Council should sign a Memorandum of Understanding committing the Council to a joint procurement exercise for waste collection services; and,*
- (b) *The Executive delegates authority to the Strategic Director (Chief Finance Officer) in consultation with the Head of Legal Services and the Portfolio Holder for Waste Procurement to agree and sign a suitably worded Memorandum of Understanding on Joint Waste Procurement.*

3.0 Relationship with the Council's Vision, Strategies and Policies

- 3.1 This report relates to the Council's Vision in that it supports the Council's aim to provide and support high quality public services and the priority to create a cleaner, greener, safer and healthier community and environment. The report does not conflict with any Council Strategies or policies.

4.0 Budget / Resource Implications

- 4.1 There are no budget or resource implications directly consequent to the signing of a

Memorandum of Understanding (MOU).

- 4.2 The purpose of the joint procurement exercise is to obtain the best value solution, including substantial savings in waste collection costs. By partnering with other authorities in Oxfordshire and/or by collaborating with other authorities in the South East, we will attract greater market interest and will secure bulk purchase discounted rates.
- 4.3 The primary purpose of the MOU is to provide mutual assurance that each partner is fully committed to the joint procurement and joint client team. Officers are therefore exploring whether legally binding commitments can emanate from the MOU. This would provide all partners, particularly the partner facing the highest risks caused by any procurement delay (SODC), with a higher level of confidence than a non-legally binding agreement.
- 4.4 If legally binding commitments do arise, the Council would become legally responsible for financially compensating its partner authority(s) for any costs falling on them, due to the action or inaction of this Council causing the delay or failure of the joint procurement process. The compensation could amount to hundreds of thousands of pounds. Given this risk, the Council needs to be fully committed to the joint procurement and must ensure that every effort is made to ensure it is successfully completed.

STEVE BISHOP
STRATEGIC DIRECTOR