

Project Initiation Documentation

Programme: Whole Systems Approach

Work Stream 3: Joint Procurement of services for bulking, sorting and onward processing/sale of recyclable materials.

Version: 0.3
 Prepared by: Helen Taylor, Project Manager
 Issue date: 4 June 2013

Version History

Version	Date	Comments
0.1	10 April 2013	First draft circulated to WSAPB and reviewed at meeting on 17 April.
0.2	20 May 2013	Amended following further direction from the WSAPB on 9 May and reviewed by Task Group on May 22.
0.3	4 June 2013	Reviewed by Sponsor and re-issued.

Circulation List

Title/Group	Name/Chair	Date
Programme Board	All Members	4 June 2013
Programme Board Sponsor	Richard Pearn	4 June 2013
Procurement Lead	Zoe Berriman	4 June 2013
Waste Partnership Manager	Nigel Mccurdy	4 June 2013
Project Task Group	All Members	4 June 2013

Reasons for undertaking this project

This project is a key work stream identified as part of the Whole Systems Approach Programme which seeks to develop an optimum waste management system in Cambridgeshire through a whole systems approach that:

- Reduces the overall expenditure against the public purse;
- Increases the overall income to the public purse; whilst
- Improving services for the customer, which would include levelling up services across Cambridgeshire to achieve consistently high quality services across the partnership area; and
- Improving environmental performance.

The project therefore contributes to the staged development of a Whole Systems Approach to waste management in Cambridgeshire and Peterborough. It is significant in that it will be the first time that all partners will jointly procure services to bulk, sort and market recyclable materials. However, it is not the first time the partnership has experience of joint procurement in this area, Cambridge City, Fenland and Huntingdonshire DCs jointly tendered for these services in 2009/10 and it will be important to respond to and build on the learning from this exercise.

With the increased value of recyclable materials as a resource, local authorities, where previously incurring costs for services to bulk, sort and process such materials are now, at this time, receiving an income - although it should be noted that the market for recyclable materials fluctuates. Joint working in this area has been shown to potentially increase financial benefits to local authorities, for example, by increasing the quantity of recyclable material presented to the market place and therefore its potential value. It can also remove duplication of effort depending on the partnership approach and benefits can be derived from combining learning and expertise.

It is worth noting that the way in which a partnership approaches joint procurement and other key factors influence the degree of added financial value that can be derived, such as:

- Understanding the market place and our potential value and responding to this.
- Consolidating service requirements as far as possible, e.g. reducing the potential number variations tendered.
- Effectively managing risks - the greater the degree of uncertainty for the contractor e.g. in terms of the composition, quality and quantity of materials it is receiving, the greater the risk.

Options Considered

The following options were considered as part of project initiation by the Programme Board to inform the approach. Option 3 has been identified as the preferred option which will be further tested through the project e.g. through soft-market testing.

Option	Description	Initial Assessment
1	Do nothing - Delay procurement at this time by investigating and assessing opportunities for partners to utilise existing contract arrangements within the partnership, or utilising extensions,	<ul style="list-style-type: none"> • East Cambridgeshire have recently utilised the existing South Cambs contract, however, this contract would not allow for further excessive additional volumes of material

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	procuring jointly at a later date.	<p>without creating a significant change to the contract requiring re-tender.</p> <ul style="list-style-type: none"> • City/Hunts/Fenland contracts do not allow for additional partners without creating a significant change to contract requiring re-tender. • Likely that Peterborough would be required to procure individually. • Partners could be financially disadvantaged utilising extensions and missing the potential benefits from re-tendering at this stage.
2	Utilise PFI contract arrangements.	<ul style="list-style-type: none"> • Initial discussion with legal at CCC indicates this would potentially mean a significant change to the contract, leading to significant legal costs and even re-tender. • May not generate competition and therefore achieve financial benefit. • Could reduce resource/time involved in tendering but revisions to the contact could counter this.
3	Jointly procure private sector services to bulk, sort, process and market recyclable materials by June/December 2014.	<ul style="list-style-type: none"> • Reflects conclusions to recent market testing by Peterborough. • Supports staged development of a Whole Systems Approach, although would need to ensure that procurement does not constrain it in any way. • Does not allow for development of an Optimum Service Design prior to procurement. • Meets the immediate needs of Peterborough City Council, although if completed by December would lead to a less favourable financial position for this partner.
4	Jointly procure the design and build of a MRF, primarily dedicated to the partnerships use.	<ul style="list-style-type: none"> • Is counter to conclusions to recent market testing by Peterborough. • Lengthy process which would require interim contract arrangements. • Capital investment required. • Is being undertaken by a group of authorities in the South West although DCLG funding received for this.

Aims and Objectives

To jointly procuring the provision of bulking, sorting and onward sale/re-processing of recyclable materials for all RECAP partners by June 2014, in order to meet the first contract expiry date (Peterborough City Council's), with all partners entering into the joint contract at the following times (therefore not invoking any contract extension periods):

- o Peterborough City Council – June 2014

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- o Cambridge City, Huntingdonshire and Fenland District Council – November 2014.
- o South Cambridgeshire - October 2015
- o East Cambridgeshire – October 2015

Key Objectives:

- To generate greater revenue for the partnership as a whole.
- To develop, as far as possible, service consistency/harmonisation, therefore achieving the minimum amount of variation in all aspects of the tender - notably materials, operational processes, procedures and management requirements.
- To develop an approach to the market place that achieves the best value from materials for the partnership as a whole, effectively responding to logistical factors and the requirements of the market place (e.g. not assuming the appointment of one single contractor will guarantee best value).
- To effectively manage the financial risks of market volatility, developing pricing mechanisms that provide financial security and allow scope to derive benefits from the uplift in material values.
- To further mature the culture of partnership working in RECAP through the development of working practices that make best use of resource – removing duplication of effort.
- To ensure the procurement contributes to and supports the development of an optimum waste management system through a whole systems approach.

Scope

The procurement will include collected recyclable materials from households and trade customers, (where a partner operates a recycling service to trade customers) from the following RECAP partners:

- Cambridge City Council
- East Cambridgeshire District Council
- Fenland District Council
- Huntingdonshire District Council
- Peterborough City Council
- South Cambridgeshire District Council

Further recycling collected via other service areas such as street sweepings and street litter have been proposed by some partners which will need to be explored further.

Cambridgeshire County Council will be included in the procurement process to ensure links with the PFI.

Approach

The Programme Board has considered initial options around how the partnership could work together to jointly procure and contract manage. The Board advised that all partners will procure and contract manage working collaboratively utilising existing partnership forums (e.g. the Programme Board).

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The following arrangements have been agreed to manage the joint procurement process in line with the Partnership Charter. Further work will be required to determine how the partnership will contract manage.

The Waste Partnership Manager will also support the project in their capacity as Programme Manager.

Whole Systems Approach Programme Board

- Directs the project, ensuring project aligns with partnership programme objectives.
- Ensures appointment of qualified resources and allocation of any required partnership funds.
- Responsible for ensuring effective links to partner internal environments, including decision-making processes, key stakeholders.
- Identifies and manages key risks.
- Resolves any issues that cannot be resolved by the Project Team.
- Accountable to the RECAP Board for delivery of the project as part of the Whole Systems Approach Programme.

Task Group

- Delivers project in accordance with direction from the Programme Board.
- Provides regular reports, as required by the Programme Board.

Task Group Members

Officer	Authority	Role
Richard Pearn	Peterborough City Council	<ul style="list-style-type: none"> • Programme Board Appointed Lead, ensuring effective links with Whole Systems Approach Programme Board and RECAP Board. • To work closely with Project Manager providing guidance on project delivery. • To Chair Task Group meetings. • To promote positive collaboration to achieve maximum added value to the partnership. • To provide respective partner operational requirements/information and share operational learning/expertise. • To support effective stakeholder engagement/communication within respective authority.
Helen Taylor	Cambridgeshire County Council	Project Management.
Zoe Berriman	Peterborough City Council	<ul style="list-style-type: none"> • To provide procurement advice/expertise on behalf of the partnership. • To work closely with Project Manager providing guidance on project delivery. • To provide liaison with Procurement Officers across the partnership ensuring effective and continuous engagement/support for the work.

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Tom Lewis	Fenland District Council	<ul style="list-style-type: none"> To provide legal advice/expertise on behalf of the partnership. To provide liaison with Legal Officers across the partnership ensuring effective and continuous engagement/support for the work.
Jen Robertson	Cambridge City Council	<ul style="list-style-type: none"> To work collaboratively with partners to achieve maximum added value to the partnership. To provide respective partner operational requirements/information and share operational learning/expertise. To support effective stakeholder engagement/communication within respective authority.
Donald Haymes	Cambridgeshire County Council	
Dave White	East Cambridgeshire	
Mark Mathews	Fenland DC	
Sonia Hanson	Huntingdonshire DC	
Kylie Laws	South Cambridgeshire	

Partnering Agreements

The Programme Board has requested the development of a Partnering Agreement to be signed up to by each partnering authority. The Agreement will capture each individual partner's commitment to the joint procurement and will be developed and signed off by October 2013.

The Programme Board has also requested development of a Non-Disclosure Agreement to support exchange across the partnership of required information to support the procurement and assessment of its success, which can be included as an Appendix to the Partnering Agreement.

Guiding principles for collaboration

This project will follow the agreed guiding principles within the Partnership Charter (listed below) and additionally, partners will seek to achieve the maximum added value by:

- Developing and agreeing all elements of the procurement based upon effective evidence based research and testing in the market place.
- Responding to all relevant current and emerging legislation, statutory requirements and best practice.

RECAP Partnership Charter – Guiding Principles

- Strong leadership and clear governance
- Commitment to the partnership
- Good communications and continuous dialogue
- Build trust through openness, honesty and transparency
- Learn from each other
- Treat each other as equals with respect
- Willingness to compromise

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- Seek a benefit to all partners to their mutual advantage
- Deal with issues promptly and effectively
- Deliver through clear and agreed project management methodology
- Contribute to joint ventures in a fair and equitable way
- Make decisions at the appropriate level

Resource

Funding for the partnerships pooled funding will be made available to support expenses incurred during the project.

Interfaces

- Development of Optimum Service Design and other Whole Systems Approach Programme works streams.
- The partnership will identify opportunities for joint communications to support the partnership-wide procurement and start of any new service provisions. This work can be managed and delivered in parallel to the joint procurement consisting of representatives of the Marketing Group.

Quality

The project will be delivered in accordance with:

- Relevant legislation/policies and any emerging policy change
- Statutory requirements and emerging requirements e.g. the MRF Code of Practice
- Best practice, seeking out innovation and new ways of working

Timescales

The following shows the key stages for the project and timescales of each stage.

Project Stage	Timescales
Project Set Up / Initiation Stage	April – 3 June 2013
Pre-Tender Stage	3 June – 25 November 2013
Tender Stage	25 November – 5 March 2014
Post Tender and Mobilisation	6 March – 30 May 2014
Project Close/Review	30 May – 30 June 2014

Communications Plan

Stakeholder	Communication methods	Frequency	Responsible
Leaders	Verbal updates provided by respective RECAP Board representatives.	At each key stage of project.	WSAP Board Member/RECAP Board Members.
	Written reports as part of scheduled Programme Updates at Leaders & Chief Execs Meetings.	As determined by Leaders & Chief Execs.	Partnership Manager/RECAP Board Chair.

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Chief Execs	Verbal updates provided by respective WSA Board representatives. Written reports as part of scheduled Programme Updates and PSB Meetings.	At each key stage of project. As determined by PSB.	WSAP Board representatives. Partnership Manager/WSAP Chair
RECAP Board Members	Verbal updates provided by respective WSA Board Members. Reports provided at RECAP Board Meetings.	As part of 1:1s at each key stage of project. At each RECAP Board Meeting.	WSAP Board Member Partnership Manager
Programme Sponsor – Jean Hunter	Verbal updates provided by WSAP Chair.	As part of 1:1s at each key stage of project.	WSAP Chair.
Whole Systems Approach Programme Board Members	Reports/project documentation provided by Waste Partnership Manager/Project Manager.	At each WSAP Board Meeting and towards end of each stage. As and when required.	Waste Partnership Manager/Project Manager
Operations Panel	Verbal updates provided by Waste Partnership Manager or Project Manager.	As and when required. At Ops Panel Meetings when required.	Waste Partnership Manager/Project Manager
Marketing Group	Email updates provided by Project Manager.	At each key stage of project.	Project Manager
County Procurement Group	Verbal updates provided by Procurement Lead.	As and when required. At each County Procurement Group Meeting.	Procurement Lead
Respective Partner Legal Officers	Verbal/documented as and when required.	As and when required.	Respective Task Group Member
Respective Partners Cabinets/Committees/Scrutiny	Engaged as required to ensure links to partner internal decision making.	As determined by WSAP Board Members.	WSAP Board Member

Project Controls

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Control description and purpose	Responsible	Frequency / timing	Reviewed by
Project initiation Should the project be undertaken?	Project Manager	At the end of the Initiation phase and before the project commences	Programme Board
Environment outside project	Project Board	When environmental changes have been planned or have occurred that affect the project	Project Board Project Manager
Highlight reports Regular progress reports during a stage	Project Manager		Programme Board
Stage Plans	Project Manager	Towards the end of a stage	Programme Board
End stage assessment Has the stage been successful? Is the project still on course? Is the Business Case still viable? Are the risks still under control? Should the next stage be undertaken?	Project Manager	At the end of a stage	Programme Board
Risk Log	Project Manager	Project Manager should use discretion in deciding which risks should be reviewed by which group	Project Board
Issue Log	Project Manager	Project Manager should use discretion in deciding which issues should be reviewed by which group	Project Board
Lessons Learned Log	Project Manager	Project Manager/Task Group	Project Board Project Team
Project Closure Has the project delivered everything that was expected? Are any follow-on actions necessary? What lessons have been learned?	Project Manager Project Board	At the end of the project	Project Board Business Support Programme Board, for Business Support Projects

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Recycling in Cambridgeshire & Peterborough

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INITIAL RISKS LOG

	Joint Procurement (MRF)		<p><u>Probability</u> 1 - Very Low 2 - Low 3 - Moderate 4 - High 5 - Very High</p> <p>Click here or go to the Risk Ratings Descriptions worksheet for full descriptions</p>	<p><u>Impact</u> 1 - Negligible 2 - Marginal 3 - Significant 4 - Critical 5 - Catastrophic</p> <p>Click here or go to the Risk Ratings Descriptions worksheet for full descriptions</p>	<p>RED if score 15 or over AMBER between 8 and 14 GREEN is 7 or less</p> <p>Note:- 1/ users cannot enter or edit data in this column. 2/ RED flags will be in bold text</p>	<p>Status Open Closed</p>		<p>Use this column to identify owners of actions, target completion dates and current progress</p>	
No	Description	Date Logged	Probability	Impact	Risk Score	Status	Risk Owner	Action to be taken & progress (to minimise/reduce risk)	Notes



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R01	Partners are not certain of each others degree of commitment to the procurement exercise, resulting in reduced/partial participation with potentially: <ul style="list-style-type: none"> • Alternative procurement arrangements being sought. • Full financial benefits not being realised. • Resourcing of project wavering and timescales missed resulting in Peterborough not securing a new contract when required. • Distrust is generated damaging partner relations and impacting on delivery. 	10.04.13	4 - High	5 - Catastrophic	20	RED	Open	Partnership Agreement to be developed and signed by all partners by October 2013 expressing their commitment to the procurement.
R02	The required capacity and skills are not made available to the procurement when required, resulting in work not being progressed, reduced quality and partner requirements not being responded to.	10.4.13	3 - Moderate	4 - Critical	12	AMBER	Open	<ol style="list-style-type: none"> 1. Task Group is established. 2. Board ensure resource is made available, prioritising project. 3. Board indicate resourcing issues at an early stage and determine mitigation.

RECAP

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R03	A partner is not prepared/restricted to disclose the required information concerning current arrangements, resulting in lack of benchmarking, learning, potentially generating distrust.	10.4.13	3 - Moderate	2 - Marginal	6	GREEN	Open	Non-disclosure agreement is developed and signed by each partnering authority as part of initial commitment agreement.
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