

Communities and Environment Scrutiny Select Committee

04 March 2026

Part 1 - Public

Matters for Cabinet – Council Decision



www.tmbc.gov.uk

Cabinet Member	Cllr Martin Coffin, Cabinet Member for Finance, Waste and Technical Services
Responsible Officer	Director of Street Scene, Leisure and Technical Services and Head of Finance (Section 151 Officer)
Report Author	Darren Lanes, Head of Street Scene and Leisure David Campbell-Lenaghan, South West Kent Waste Partnership Manager

South West Kent Waste Services Contract Retender

1 Summary and Purpose of Report

- 1.1 The current South West Kent Waste Services Contract for refuse, recycling and street cleansing is due to expire at the end of March 2027 and is being retendered on a partnership basis with Tunbridge Wells Borough Council (TWBC). This report outlines the tender process, the evaluation of the tenders received, and makes a recommendation to Cabinet on award of contract, as well as a recommendation to report further to the next meeting of this Committee in May.

2 Corporate Strategy Priority Area

- 2.1 'Efficient & Effective Council' and 'Caring for the Environment'
- 2.2 The Contract is the largest contract commissioned by this Council providing a household waste and recycling collection service to approximately 57,000 homes in the borough. The Contract also includes street cleansing services. The service is high profile, serving all our residents and is currently delivered in partnership with TWBC.
- 2.3 Successful tendering of the Contract Services, smooth mobilisation of the Contract and providing efficient & effective services will assist in delivering Activity 1.2 of the current Annual Service Delivery Plan - "*Finalise a new waste contract that supports our residents to drive up recycling rates through an effective and efficient service*".
- 2.4 The Contract will need to be delivered in accordance with current legislation and guidance, and consider pending legislation including Simpler Recycling, Extended

Producer Responsibility (EPR) and the Deposit Return Scheme (DRS). Consideration will also need to be given to increasing recycling performance and maximising income, including EPR payments, through the delivery of effective and efficient services.

3 Recommendations

3.1 Following consideration by Members, it is recommended that the Committee recommend to Cabinet – for onward recommendation to Council - that:

- 1) Contractor A, as identified in **Annex 2 (Part 2 Private publication)**, be awarded the South West Kent Waste Services Contract as detailed within the report; and
- 2) a further report be brought to the next meeting of the Committee on 20 May, making recommendations relating to the options for the financing of vehicles deployed on the Contract; costs relating to the cleansing of High Speed Roads; and costs associated with the cleansing of a number of Public Open Spaces.

4 Introduction and Background

4.1 Further to previous reports to this Committee and Cabinet, Members will be aware that the Council's Waste Services Contract is due to expire at the end of March 2027, and that Officers are currently working in partnership with Tunbridge Wells Borough Council (TWBC) on the tendering process for the future delivery of these services across both Boroughs.

4.2 The net cost of this Council's existing contract for refuse, recycling and street cleansing services is in the region of £4.9m per annum (£8.8m across the Partnership) and provides a refuse and recycling collection service to over 57,000 households in Tonbridge and Malling, an optional garden waste service, and a street cleansing service across the whole Borough. Whilst the current contract is performing well, the desired outcome for the contract retender is to continue to improve service delivery, meet customer expectations, improve levels of recycling performance, and meet current and forthcoming legislation. Over the length of the current contract there have been significant cost increases in the sector, so one of the aims of the tender process was to try to limit potential increases whilst still delivering a quality service.

4.3 At the 5 February 2025 meeting of this Committee, Members recommended to Cabinet that:

- the Council remains in partnership with Tunbridge Wells Borough Council for the delivery of household waste, recycling & street cleansing services;
- contracting out remains the Council's preferred commissioning model for the delivery of said services;

- a further report be presented to this Committee to allow for consideration of key service specification issues and the proposed procurement process for the delivery of said services.

4.4 These recommendations were subsequently approved by Cabinet on 11 February 2025.

4.5 At the following meeting of this Committee on 5 March 2025, Members recommended to Cabinet that:

- the Competitive Flexible Procedure procurement route and timeline as outlined at Section 5.1 to the report be agreed;
- the proposed contract length be 12 years as outlined at Section 5.2.1;
- joint Delegated Authority be given to the Cabinet Member for Transformation and Infrastructure and the Director of Street Scene, Leisure and Technical Services to agree contract variations following dialogue and negotiation ahead of the contractors' final bids, as outlined at Section 5.1.5;
- the proposed Specification amendment highlighted at Section 5.3 be agreed and reflected in the tender pack;
- the proposed areas of dialogue as highlighted at Section 5.4 be agreed;
- the proposed contract options as highlighted at Sections 5.5 be agreed;
- the approach to vehicle finance options, as highlighted at Sections 5.6 be determined by the Partner Authority Finance lead officers and be reported to the appropriate Committee and Cabinet;
- the proposed method of indexation as highlighted at Section 5.7 be agreed;
- the proposed tender evaluation be progressed in accordance with Section 5.8;
- the proposed approach to decarbonisation as highlighted at Section 12.7 be agreed.

4.6 For ease of reference, the Committee report of 5 March 2025 is attached at **Annex 1** of this report (Link: [Waste, Recycling and Street Cleansing Contract – Report to Communities and Environment Scrutiny Select Committee of 5 March 2025](#)). The recommendations were approved by Cabinet on 1 April 2025.

5 Update on Committee Recommendations of 5 March 2025

5.1 During the procurement process, Officers have been mindful of the agreed recommendations of Cabinet, and these have been considered with the tenderers

in the Dialogue stage of the tender process. The following section of this report provides an update on those recommendations and the outcomes.

5.2 *The Competitive Flexible Procedure procurement route and timeline as outlined at Section 5.1 be agreed.*

5.2.1 This proposed procurement route was adopted and managed with the assistance & guidance of senior officers from the TMT Procurement Partnership (a partnership between Tonbridge & Malling, Tunbridge Wells & Maidstone Borough Councils). The agreed timeline – although challenging - was largely adhered to and the Councils are on target for the original Contract Award deadline of late April 2026.

5.3 *The proposed contract length be 12 years as outlined at Section 5.2.1.*

5.3.1 The Contract will be awarded for a period of 12 years (to 31 March 2039) with an option to extend by up to two years if mutually agreeable to all parties.

5.4 *Joint Delegated Authority be given to the Cabinet Member for Transformation and Infrastructure and the Director of Street Scene, Leisure and Technical Services to agree contract variations following dialogue and negotiation ahead of the contractors' final bids, as outlined at Section 5.1.5.*

5.4.1 During the Dialogue stage of the procurement process, all subjects approved by Members were discussed, and a number will be reflected in the final Contract documents.

5.5 *The proposed Specification amendment highlighted at Section 5.3 be agreed and reflected in the tender pack.*

5.5.1 The proposal for the suspension of fortnightly garden waste collections for one cycle over the Christmas/New Year period has been included within the new Contract Specification.

5.6 *The proposed areas of dialogue as highlighted at Section 5.4 be agreed.*

5.6.1 All four issues were discussed at the Dialogue stage with tenderers. The latter included the results of those discussions in their final submissions, and any relevant proposals were considered during evaluation of the Quality sections of their tender. Specifically:

- Implications of pending regulations – all tenderers included their views on such regulations such as Simpler Recycling, Deposit Return Scheme and Extended Producer Responsibility.
- Efficiencies in Service Delivery – all tenderers addressed potential efficiencies, frequency of collections, value for money, etc., within their submissions.

- Early start times – during Dialogue sessions and in final submissions, some flexibility on start times (standard being 7am for collections) was welcomed by tenderers but generally in occasional circumstances such as adverse weather & roadworks, rather than being the standard practice.
- Street Cleansing Methodology – all tenderers submitted street cleansing proposals that met the Contract Specification's output requirements.

5.7 *The proposed contract options as highlighted at Sections 5.5 be agreed.*

5.7.1 The Councils requested that separate unit costs be provided for a number of discretionary items in the submissions so that assessments can be made as to the costs & frequency of such works, including the cleansing of specific sections of High-Speed Roads, largely dual carriageways. Officers will bring proposals for such works to the May meeting of this Committee for consideration and recommendation to Cabinet.

5.8 *The approach to vehicle finance options, as highlighted at Sections 5.6 be determined by the Partner Authority Finance lead officers and be reported to the appropriate Committee and Cabinet.*

5.8.1 During the procurement process, options for future funding of vehicles were discussed with tenderers, and indicative cost savings that may be achieved by the Councils funding the required vehicles were provided by tenderers at Stage 2 of the submission process. Following approval of the preferred supplier, officers will continue to discuss the optimal funding options for the Partnership and will report into the May meeting of this Committee.

5.9 *The proposed method of indexation as highlighted at Section 5.7 be agreed.*

5.9.1 Following discussions at Dialogue stage and subsequent submissions, it has been agreed that the annual indexation for the Contract be based on a suite of indicators, to reflect inflationary costs, fuel costs and labour costs. This reflects the initial feedback received during market testing and will be reflected in the final Conditions of Contract.

5.10 *The proposed tender evaluation be progressed in accordance with Section 5.8.*

5.10.1 The tender evaluation weighting was approved as being a Price: Quality weighting of 60:40 respectively. The outcome of this weighting is detailed in **Annex 2** (Part 2 Private publication – Reason LGA 1972 – Sch 12A Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)).

- 5.11 *The proposed approach to decarbonisation as highlighted at Section 12.7 be agreed.*
- 5.11.1 The tender submissions included proposals for decarbonisation and the Climate Change Officers from the respective Partner Authorities were involved in the evaluation of the final submissions. Members may recall that at the meeting of this Committee on 5 March 2025, a summary of potential options for decarbonising the fleet of vehicles employed on the Waste Contract was presented. It was considered that switching from diesel to Hydrotreated Vegetable Oil (HVO) - or mixing the two in various ratios – was the “*lowest risk, lowest additional cost, and easiest route to operational decarbonisation*”. A risk and mitigation assessment for HVO was included in that report.
- 5.11.2 The current proposals for the start of the new Contract – retaining diesel - reflect the limited infrastructure currently available at either Council’s depots, as well as local fuel suppliers. During the procurement process, tenderers submitted options for switching fuels during the early years of the Contract and these options will be further explored with the preferred contractor during mobilisation in order to drive forward any initiatives for decarbonisation including the use of HVO. There remain further opportunities at the end of the current leases on the majority of the collection fleet (when replaced in Year 5 of the Contract) to explore the use of electric vehicles or any technical innovations that may be available at that time.
- 5.12 During the Dialogue stage, the Councils raised the potential for open-book accounting to drive further efficiencies in the future, such as when exploring funding options for new vehicles. Whilst it was not feasible to build such arrangements into the final tender documents given the complexities of the various permutations of open-book accounting, options will be further explored with the preferred contractor in order to identify any potential efficiencies in future, particularly with regard to future vehicle funding during the term of the Contract.

6 The Retendering Process

- 6.1 At its meeting on 1 April 2025, Cabinet approved the proposal to use the Competitive Flexible Procedure procurement route.
- 6.2 The Competitive Flexible Procedure allows for four stages to be conducted:
- **Stage One – Invitation to Submit Initial Tenders.** Both a tender notice and full tender pack are issued. During this stage, tenderers may ask clarification questions to which the Partners must respond within a set timescale. Once the initial tender period has closed, submissions are assessed and evaluated against a set of mandatory criteria. Any submission passing the mandatory criteria will then be assessed against the scored elements. Other tenders may be disregarded at this stage.

- **Stage Two – Dialogue.** Dialogue meetings will be held with each tenderer through to this stage with the aim of furthering both the tenderer(s) and Partners understanding of the contract requirements, particularly those issues highlighted within the Specification document (see 5.6 above).
- **Stage Three – Negotiation.** Negotiation in this process is defined as '*discussion between the partners and tenderers with a view to improving the content of the tenders*' If [as in this case] the Partners deem this stage to offer no value to the process, they reserve the right to discard this stage, especially as any potential issues may have been dealt with through Dialogue.
- **Stage Four – Invitation to Submit Final Tenders.** This is an opportunity for tenderers to submit their final tenders which will be used for the final Quality & Price assessment. This will identify the tenderer which has submitted the most advantageous tender in accordance with the assessment methodology and award criteria set out in the Tender Notice. Tenders may be disregarded at this stage.

6.3 To advise Members, the original timescale for the procurement and implementation of the new contract was as follows:

- Tender Notice & Document Pack issued – May 2025
- Clarification Questions – ended June 2025
- Stage One Tender Submissions – July 2025
- Stage One Tender Evaluation period – ended September 2025
- Stage Two Dialogue – September/October 2025
- Stage Three Negotiation – not required
- Stage Four Tender Submissions – November 2025
- Stage Four Tender Evaluation period – ended January 2026
- Partners' Approval Process – January-April 2026
- Award of Contract w/c 20 April 2026 (8-day standstill period following latest respective Partner Council meeting – see 1.3 below). There is a 30-day window in which an informal or formal challenge can be submitted by any of the tenderers objecting to the award of the Contract. This window is 30-days from the disclosure of information. Should such a challenge be made, this would potentially delay the process. A 'Plan B' timetable has been developed to identify any key risks to the proposed Contract start date.

- Contract Commencement – 1 April 2027

6.4 It is pleasing to note that, despite what has been a challenging process and timescale, the Councils are currently on track to meet the deadline of late April 2026. However, it should be noted that the decision for Contract Award may be subject to challenge by the unsuccessful tenderers, which may cause a delay to award and mobilisation of the new Contract.

7 Partnership with Tunbridge Wells Borough Council (TWBC)

7.1 TWBC officers have advised that they will report to their Communities, Housing & Environment Committee on 3 March 2026, and subsequently to its Council meeting on 22 April 2026, thus ensuring that both Councils' decision-making processes are aligned as closely as possible. Members will receive a verbal update at this meeting on decisions taken by TWBC, as clearly the successful contractor cannot be appointed until final approval has been granted by both Partner Authorities.

8 Tenders Received

8.1 At Stage One (Initial Tenders), eight tenders were received. Four of the tenderers were excluded on the grounds of not passing the mandatory requirements and as such were not progressed through to Stage Two Dialogue meetings. Exclusion notices were issued to those tenderers with no informal or formal challenge being received.

8.2 At Stage Four (Final Tender), four submissions were received. Two tenders failed to follow the instructions issued in the documents and were deemed non-compliant. In addition to being non-compliant bids, both tenderers had also submitted conditional tenders which the Partner Authorities cannot accept. As such they were not progressed to Stage Four evaluations and exclusion notices were issued to those tenderers.

8.3 Two submissions were then fully evaluated as Stage Four (Final Tender) submissions.

9 Tender Evaluation

9.1 The evaluation criteria for the award of the contract as approved by Cabinet at its meeting on 1 April 2025 were subsequently incorporated within the tender documentation. A price-quality ratio of 60% price: 40% quality was applied as approved by Members.

9.2 In order to manage the evaluation of the tenders efficiently, the first stage of the process (Stage One) included a series of mandatory criteria. Which are pass/fail questions. If the mandatory elements are not met by the tenderers(s), they will be notified and their tender will not be evaluated further. The mandatory questions were set by the Partner Authorities and were set out in the documentation issued

to the market. These mandatory criteria were included to ensure that the Partnership Councils had a process to remove unsuitable contractors at the earliest stage. These criteria included minimum standards for Economic & Financial Standing and Technical & Professional Ability, and other key contract requirements such as insurance. The evaluation of these requirements was carried out by the TMT Procurement Partnership in collaboration with the respective Partner Authorities Waste, Finance & Legal teams.

- 9.3 The final two tenders were evaluated on their Quality submissions in detail by the Evaluation Panel that included Officers from both this Council and TWBC. The panel included Waste Contract Operations, leads, as well as Health & Safety Officers and Climate Change/Sustainability officers.
- 9.4 The matters which were taken into account in respect of the quality submission were:
- contract mobilisation plans;
 - service delivery arrangements for recycling, refuse & street cleansing services;
 - management and staffing structures & levels of staffing resources;
 - planned resources for vehicles, plant & equipment;
 - proposed technologies;
 - business continuity arrangements;
 - performance & quality management frameworks and systems;
 - environment & sustainability;
 - staff training; and
 - added/social value.

The tenderers were made aware that such matters would be taken into account in the Invitation to Tender documentation.

- 9.5 The price was evaluated using the following formula:
- (Lowest Cost Submitted/Cost Submission being assessed) x Weighted Cost Score
 - Tenderers were notified in advance of this methodology for tender

- 9.6 The outcome of the evaluation process is shown within **Annex 2** (Part 2 Private publication) and details both the quality and price scores whilst also providing the overall final tender scores. The Part 2 Annex also shows the Final Tender prices.

Taking into consideration the final tender scores it is proposed that the contract be awarded to Contractor A. The name & details of Contractor A are also included within **Annex 2**.

10 Proposal

- 10.1 The procurement of the new contract has been a major piece of work involving Officers from across the Council working in close partnership with colleagues from Tunbridge Wells Borough Council. Learnings from the current Partnership Contract have been taken on board to minimise the risk of disruption to residents in moving to a new contract, such as not changing collection methodology early on in the new Contract.
- 10.2 As detailed in this report, the recommendations of Members of this Committee and Cabinet have been taken into account throughout the tendering process. Further reports will be presented to Members regarding the potential options for financing of vehicles throughout the life of this Contract and for discretionary works such as frequencies of high-speed road cleansing.
- 10.3 It is important to note, however, that the appointment of the successful contractor as set out in **Annex 2** and above is just another milestone within the delivery of the project, with a significant amount of work now required to ensure the successful mobilisation and implementation of the new arrangements. It has been recognised that good communication with our residents will be essential to the success of the new contract, regardless of whether or not there are any service changes.

11 Other Options

- 11.1 Early on in the tender process Members of this Committee received an options report on the service delivery model to be used. Members considered an in-house operation, establishing a LATCO and contracting out. Having looked at the pros and cons of each model Members recommended to Cabinet contracting out, which was subsequently agreed by Cabinet.
- 11.2 The tender process detailed in this report complies with the requirements of the Procurement Act 2023 and the robust evaluation process adheres to the route selected by Members as set out at section 4.5 above. As such there is no legally compliant option available to award the Contract to an alternative supplier.

12 IT Considerations

- 12.1 In order for the contract to be successfully mobilised, a number of IT-related projects will need to be undertaken prior to contract start. This will need to include updates and improvements to the existing Customer Relationship Management system, and to the Waste Management System proposed to be used by the Contractor, as well as any integration required between the two systems. This will also include a review of the current collection round & cleansing schedules

structures prior to Contract commencement. Previous experience shows that without a significant investment of time and resources in implementing any required changes there are real risks, not only of potential service failures, but also a high chance of public dissatisfaction.

13 Financial and Value for Money Considerations

- 13.1 Following an assessment of market conditions and advice from consultants, the Officers took the active step of increasing the potential cost of the forthcoming contract within the Medium-Term Financial Strategy that was approved by Council in February 2025.
- 13.2 Allowing for inflationary effects and adjustments for any TUPE-related uplifts between tender submission date and the start of the contract - as included within the contract arrangements - the successful tender price is within the budgetary allowance contained within the MTFS.
- 13.3 It should be noted that the award amount does not include additional costs of periodical services such as the cleansing of high speed roads. Service Officers are looking to assess the frequency levels in order not to exceed the budget provision within the MTFS.
- 13.4 Finally, the tender has an allowance for the alternative funding of the contractor fleet, in that the Council could finance the cost at a lower rate than the contractor. This assessment has yet to be fully undertaken, once completed a further report will be made to provide recommendations to members.

14 Risk Assessment

- 14.1 The retender of the contract has been extremely thorough and has been progressed in compliance with the relevant legislation. A project group as referenced earlier in this report has overseen the process and has maintained a risk register throughout.

15 Legal Implications

- 15.1 The Council has a legal duty to provide waste and street cleansing services. The procurement of the new contract has been undertaken in compliance with all current legislation, including the Procurement Act 2023 which came into force in February 2025.
- 15.2 Legal Services at both this authority and Tunbridge Wells Borough Council – together with senior officers from the TMT Procurement Partnership – have been directly involved in advising the Project Team throughout the procurement process, including specific involvement with Conditions of Contract and giving legal advice on the procurement process. Legal advice has also been sought from specialist Solicitors on the procurement process as required during the project.

- 15.3 The results of the tender evaluation stages fully comply with the requirements of the procurement process and of associated legislative requirements under the Procurement Act 2023.

16 Consultation and Communications

- 16.1 Communications –close communication between the partner authorities has been maintained throughout the tender process together with ongoing dialogue with the contractors tendering for the contract.
- 16.2 Community-the waste services contract is the Council's largest contract and impacts on all householders and residents within the borough. The Council keeps residents regularly update via the website particular when any temporary changes are made such as Christmas.
- 16.3 Procurement - as detailed earlier in the report the TMT Procurement Partnership has been fully engaged throughout the tender process ensuring compliance with legislation, the Council's Procurement Strategy and the Council's financial rules and regulations.

17 Contract Implementation/Mobilisation

- 17.1 The contract start and service commencement date is 1 April 2027. There are not anticipated to be any significant changes to service delivery from Contract commencement. It is anticipated that a further review of collection round structure and street cleansing schedules will take place during Contract mobilisation (following formal award of Contract), as the last review and restructuring of rounds took place in 2023. This will allow sufficient capacity on the schedules to take into account actual property growth and additional adopted streets between now and 2027, as well as future capacity for the first few years of the new Contract.
- 17.2 Subject to the award of the contract, it is the intention for Officers to review and further develop the successful Contractor's proposed Mobilisation Plan to ensure the specific requirements of the Contract are met. An essential element of the Plan will be providing clear and continuous communication with residents, and this will be addressed alongside the Council's future Waste Services Marketing Plan, the next version of which will be reported to this Committee's meeting in May. Members will be kept regularly updated on progress of the mobilisation.

18 Cross Cutting Issues

- 18.1 Climate Change and Biodiversity
- 18.1.1 Climate change advice has been sought throughout the tender process, with both Councils' Climate Change Officers being actively involved in the development of the Specification and evaluation stages.

18.2 Equalities and Diversity

18.2.1 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and does not vary between groups of people. The results of this analysis are set out immediately below.

18.2.2 As there are no significant changes to the current service delivery and policies & procedures, it is not considered that a further Equality Impact Assessment is required for this process. The current EQIA, as approved by Members in 2018, identified three impacts as follows:

- The need for a supported service by those with a protected characteristic or disability who require assisted collections – this remains in the new Contract Specification and it allows for any possible variation in numbers over the duration of the contract. The successful contractor will be required to meet any requests for this assisted service.
- Communicate changes to the service to residents with the protected characteristics of age and disability – this issue has been addressed within the ongoing Waste Services Marketing Plan and its aim will be to reach all residents and all age groups within the Borough as far as it is practicable through a balance of traditional and more innovative forms of marketing/promotion. The next version of the Marketing Plan is scheduled to be reported to this Committee in May.
- Monitor the delivery of the new contract to measure its success in improving levels of service including those with protected characteristics – monitoring & reporting regimes have been built into the Contract Specification & Contract Conditions and were included in all evaluated tender submissions. Performance will formally be monitored by the Partnership Manager and through the Partnership Steering Group meetings. In terms of the EQIA this will include specific reporting of assisted collection performance.

18.3 Other If Relevant

18.3.1 Business Continuity / Resilience

- Tenderers were instructed to submit their own Business Continuity Plans (BCP) relating specifically to this Contract, and these were evaluated as part of the Quality submission scoring process, particularly in terms of alignment with the Partner Authorities own BCPs.

18.3.2 Health and Safety

- Tenderers were instructed to submit their own Health & Safety Policies, including details of Health & Safety considerations relating specifically to the delivery of this the Contract. The Partner Authorities' own Health & Safety Officers took part in the Evaluation Stages, and these were evaluated as part of the Quality submission scoring process.

18.3.3 Data Protection

- Tenderers were instructed to submit their own Data Protection & Data Management Policies, including as they specifically relate to the delivery of this Contract. The Partner Authorities evaluated these as part of the Quality submission scoring process.

Background Papers	None
Annexes	Annex 1 – Waste, Recycling and Street Cleansing Contract – Report to Communities and Environment Scrutiny Select Committee of 5 March 2025 Annex 2 (Part 2 Private publication) – Tender Submission Scoring Matrix