

Delegated Decisions - 19 March 2024

## WASTE TRANSFER STATION REFURBISHMENT

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|------------------------|---|
| Name of Cabinet Member | <b>Councillor Lauren Townsend</b><br>(Cabinet member for Resources)   |
| Report sponsor         | <b>Stuart Proffitt</b><br>Director of Environment and Property  |
| Report author          | <b>Kath Cook</b><br>Construction and Development Lead<br><a href="mailto:kath.cook@milton-keynes.gov.uk">kath.cook@milton-keynes.gov.uk</a> |

|   |   |
|---|---|
| Exempt / confidential / not for publication | <b>No</b>   |
| Council Plan reference                      | Do the essentials well – ensure a well-planned out of the new waste contract (50) |
| Wards affected                              | Wolverton and Greenleys   |

### Executive Summary

This report is seeking approval to commence the procurement process using a compliant National Framework for the design and conversion of the Waste Transfer Station. The procurement process will involve a competition process for the two-stage design and build contract.

The Waste Transfer Station forms part of the Wolverton Resource Campus, supporting integration and co-location of the Environment and Waste Services of waste recycling, transfer, disposal and collection, landscape and play areas. It means that vehicle movements are efficient and minimal, vehicles can be charged by the energy from the waste plant, services work in a co-location with City Council staff in a one city workforce approach. Works are now required to take the Waste Transfer Station into the future to maximise our recycling, relocate the Council's Environment team and provide and refresh the education centre for the campus.

#### 1. Proposed Decisions

- 1.1 That the commencement of a procurement process for the design and conversion of the Waste Transfer Station, using either PAGABO or RE:FIT, be approved.
- 1.2 That authority be delegated to the Director of Environment and Property, in consultation with the Cabinet member for Resources, to approve the final framework to be used for this procurement, subject to:

- (a) completion of required due diligence/carbon assessment; and
  - (b) the Council's ability to remain compliant with procurement law by use of the chosen framework including the process of contract award.
- 1.3 That authority be delegated to the Director of Environment and Property to subsequently approve the award of the design and refurbishment contract providing the award is within the approved resource allocation.

## 2. Reasons for the Decision

- 2.1 The refurbishment supports the emerging Wolverton Resource Hub Strategy and Commissioning for a Net Zero Future: Environment and Waste Services Carbon delivering co-location and integration including utilising our resources to meet the aims of the Asset Rationalisation Programme providing a central location for our staff and service provider and moving away from Bleak Hall. It meets the Corporate Property Strategy to 'provide the right buildings in the right location and condition to meet service delivery needs, now and in the future'.
- 2.2 The refurbishment supports several of the five Corporate Property strategic themes including providing the right buildings in the right location to meet service needs, reducing the carbon footprint and reducing maintenance liabilities.
- 2.3 The proposal fits into the emerging Wolverton Resource Campus Strategy which supports the Asset Rationalisation Programme. The Asset Rationalisation Programme (ARP) is a programme to reduce and consolidate the number of operational and non-operational facilities managed and maintained by the Council. The consolidation of landscaping and play areas (the MKCC Environment Team) at the Waste Transfer station following the office refurbishment will enable withdrawal from Bleak Hall for the Environment Team, following the closure of Sandy Close and Silver Street depots. Environment and Waste will also consolidate the Council's fleet operations solely to Wolverton for EV Charging with a contingency at Bleak Hall.
- 2.4 The decision is required to commence the procurement process for a contractor to undertake the detailed design work required and then carry out the subsequent conversion works for the agreed scheme under a design and build format - similar options are available in both the RE:FIT and PAGABO framework.

## 3. Background to the Decision

- 3.1 The Materials Recycling Facility opened in 1993. This was the first municipal facility of its kind in Europe. The facility is now known as the Materials Recycling Treatment and Waste Transfer Facility, following a refurbishment of the main shed in 2022 to handle recyclable material collected from residents in the new waste collection service and to enable a new site for the transfer of food and garden waste and clinical waste. We have supported improvements

and provided a significant capital investment between MK Waste Recovery Plant and the Waste Transfer Station providing performance, efficiency, and longevity of the asset. It is now time to relook at the office facilities and to bring up to condition, having largely been untouched, except for small repairs, since 1993.

- 3.2 The decision to refurbish the Waste Transfer Station has been to Environmental Services Programme Board on several occasions most recently on 20 February 2024.
- 3.3 Refurbishment of this building would support the integration and response of the Wolverton Resource Campus. This is best achieved by the services being sited in one location.

#### 4. Implications of the Decision

|                   |   |                                     |   |
|-------------------|---|-------------------------------------|---|
| Financial         | Y | Human rights, equalities, diversity | N |
| Legal             | Y | Policies or Council Plan            | Y |
| Communication     | N | Procurement                         | Y |
| Energy Efficiency | Y | Subsidy                             | N |
| Workforce         | Y | Other                               | N |

##### (a) Financial Implications

The total capital budget of £3.2 million is approved within the Capital Programme for the Improvement to Waste Depots on the Wolverton Campus. Within this budget, approval of £1.25 million has been earmarked for the refurbishment of the offices within the Waste Transfer Station. It is expected that, as the existing contractor will still occupy the majority of the building, any revenue costs to the Council will be minimal and only in relation to the consumption of utilities. However, it is anticipated that in 2026/27 the Waste Transfer Station might be added to the private wire – further reducing costs (It has not been added yet due to the need to retain the HV connection in advance of the new WTS contract being commissioned for 2026 and 2028 respectively)

##### (b) Legal Implications

This report seeks approval to use either the procurement compliant RE:FIT or PAGABO frameworks to appoint a supplier to undertake the design and refurbishment works at the Waste Transfer Station. PAGABO is a standard construction framework, whereas the RE:FIT framework supports public sector bodies wishing to implement energy efficiency, local energy generation, and decarbonisation measures to their estates and buildings. The final framework choice is delegated to the Director of Environment and Property based on the extend of energy improvements proposed following review of initial design options.

The use of frameworks is a recognised route to market. The decision delegates authority to the Director of Environment and Property to decide which framework will be the most appropriate to use for the refurbishment.

This report requests approval to commence a tender exercise as required by the Council's Contracts Procedure Rules.

(c) Other Implications

- (i) Building Regulation - the Authority has a duty to ensure compliance in our office building for members of staff, contractors and visitors
- (ii) Energy Efficiency - the two different frameworks proposed will enable slightly different approaches to carbon management. RE:FIT will focus on energy efficiency and decarbonisation measures in the building for example. Irrespective of which route taken the building will be improved to incorporate energy efficiency.
- (iii) Communications - clear and timely communications with Councillors, Parish Councillors, service users and staff will be a priority. A Communications Plan for the scheme is being developed as part of the START document approval process and will be monitored and updated at regular intervals throughout the delivery of the scheme.
- (iv) Workforce - a formal staff consultation will be undertaken in summer 2024 with staff based at Bleak Hall. Thereafter, members of staff will formally be notified of the relocation. The Waste Transfer Station forms part of the wider Wolverton campus and there is a dedicated car park for staff to access offsite.

## 5. Alternatives Considered

### **Option 1 - To Do Nothing**

- 5.1 There is an option to do nothing, however the office / administration building has had no significant upgrade or refurbishment works since 1993. To do nothing would detach the office from an asset that has already received significant investment through refurbishment. It would also detract from future market interest to manage the facility which is going out to contract in 2026 / 2028 respectively. A significant capital investment has been made on the operational transfer arrangements and it is now time to bring forward the office environment to match this investment. To do nothing does not align with the decision taken on the 20 December 2020 to convert the Materials Recycling Facility (MRF) into a WTS.

## Option 2 - Rebuild

- 5.2 This option was considered in 2020. The total rebuild cost of the office, building and wider waste facility was estimated to be approximately £40 million. Surveys were carried and it was considered that the current building supported the future use via a conversion process from a MRF to a WTS. As such, this option should be discounted as it does not demonstrate best value for the Authority.

## Option 3 - Refurbishment (recommended option)

- 5.3 As part of the Delegated Decision on 20 December 2020 to retain the Materials Recycling Facility and convert to a Waste Transfer Station the refurbishment of the building supports the ability to scale-up and skill-up in an accelerated timescale with the co-location and integration of services. It avoids a costly rebuild and both Phase 1 and Phase 2 of the WTS Programme have invested in the facility through refurbishment – unlocking what would have otherwise been significant additional capital expenditure to rebuild. It will allow flexibility to respond to budget and policy change resourcing in both staff and knowledge. Integration and response are best achieved by the services sited in one location. It supports the electrification and shared fleet. It will also meet the rationalisation of smaller depots, aligned with the Council's adopted Corporate Property Strategy and the Asset Rationalisation Plan (ARP). The review of our sites has allowed us to improve welfare facilities and health and safety of our one city workforce. This is the recommended option.

## 6. Timetable for Implementation

### 6.1 Key Dates:

| Date                  | Activity   |
|-----------------------|--|
| April 24              | Explore procurement route/Frameworks and issue expression of interest  |
| May 24                | Confirm brief/performance specification/Compile tender pack and issue  |
| June 24               | Tender period  |
| July 24               | Evaluate tenders and Award contract                                    |
| August – September 24 | Contractor start and detailed design work                              |
| October – November 24 | Conversion costs confirmed   |
| December 24           | Award Conversion works contract  |
| January 25            | Commence works on site   |
| May 25                | Estimated completion (subject to confirmation of contactors programme) |

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## List of Annexes and Background Papers

None