

## **Cabinet – 15 July 2009**

### **Contract for Household Waste Recycling Centres & Transfer Station**

**Portfolio:** Councillor Mike Flower, Environment

**Service:** Street Pride

**Wards:** All

**Key decision:** Yes

**Forward plan:** No

#### **1. Summary of report**

This report is to inform members of the need to re-tender Walsall's existing arrangements for the management and operation of the Household Waste Recycling Centres and Transfer Station (HWRCs). It is anticipated that there will be minimal change in the specification for the provision of these services.

Contracts were awarded in 2006 for the management of the Household Waste and Recycling Centres and Transfer Station located at Fryers Road (Leamore) and Merchants Way (Aldridge).

Existing Contracts were awarded for a term of five years with the opportunity to extend for up to a further three years. The re-tendering of the contract at this time will allow us to assess the current market place or enter into negotiations with the existing contractor to extend the current contract.

The official end date for the contract is 31 March 2011 and, in order to procure future contracts in accordance with Official Journal of the European Union (OJEU) and European procurement rules, consideration must now be given to commence the contract tendering procedures to allow sufficient time to prepare, tender and award contracts.

#### **2. Recommendations**

- 2.1 Cabinet is recommended to authorise officers to commence the procurement process for the management and operation of the Household Waste Recycling Centres and Transfer Station, with a view to reporting back to Cabinet as necessary at the tender return/evaluation and appointment of Contractor stages to seek further decisions.

### **3. Background information**

3.1 As a Unitary Authority, Walsall Council has the responsibility for both waste collection and waste disposal. As a Waste Collection Authority (WCA) and Waste Disposal Authority (WDA), Walsall Council has a number of statutory obligations. These include:

- (i) A duty under Section 45 of the Environmental Protection Act 1990 (EPA 1990) to collect household waste and, if requested, commercial waste within Walsall.
- (ii) Responsibility under Section 48 of the EPA 1990 to arrange and provide places for the disposal of waste collected by Walsall Council within its function as a WDA.

The management of HWRCs is currently contracted out to May Gurney (formerly known as ECT Recycling) for the period up to 2011.

### **4. Resource considerations**

4.1 **Financial:** Funding of HWRCs will be reviewed once the outcome of the tendering process is known and this will be reflected in the subsequent report to Cabinet.

4.2 **Legal:** Legal and procurement advice will be taken throughout the tendering process to ensure probity. We have established a project team for the contract procurement and sought initial advice from Corporate Procurement.

4.3 **Staffing:** None arising directly from this report.

### **5. Citizen impact**

The contract will enable the council to secure future service provision of the HWRCs and enable residents access to facilities that may not otherwise be accessible through kerbside collection services.

### **6. Community safety**

None arising from this report.

### **7. Environmental impact**

Landfill waste produces landfill gases which contribute to global warming and impacts on the environment. The contract will set out specific targets and performance measures to ensure landfill diversion targets are met and recycling and composting performance is maximised.

## 8. Performance and risk management issues

A decrease in the amount of municipal and household waste is essential as the UK is under a legal obligation under the European Landfill Directive to make a significant reduction in the amount of biodegradable municipal waste (BMW) sent to landfill. The Landfill Allowance Trading Scheme (LATS) came into effect in April 2005 and sets allowances that all Waste Authorities must adhere to or pay fines of £150 per tonne. Walsall needs to seek more sustainable means of waste disposal in order to meet its obligations for the medium term.

The HWRCs play a key role in reducing the amount of waste we send to landfill and maximising the amount we recycle. The table below shows how the amount of waste we have recycled at the HWRC sites has increased over the last three years.

Year	Recycling Percentage
2006/07	40.6%
2007/08	51.0%
2008/09	54.3%

The main risk with the re-tendering of the HWRC contract is the additional cost of the service a re-tendering exercise may produce. A new contract will not be able to commence until the existing contract expires and a decision on this will be made following the return of tenders.

## 9. Equality implications

None arising from this report.

## 10. Consultation

Feedback received from users of the Recycling Centres will be taken into account in preparing the specification for the new contract.

The Chair of the Environment Scrutiny Panel has been consulted on this report as it was not included in the Forward Plan.

## Background papers

None.

## Author

Dave Roberts  
Service Manager – Waste Management, Street Pride

☎ 653957

✉ [robertsdave@walsall.gov.uk](mailto:robertsdave@walsall.gov.uk)



Jamie Morris  
Executive Director

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Councillor Mike Flower  
Portfolio holder

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