

Cabinet – 17 December 2014

Contracts for treatment, recycling and final disposal of municipal waste

Portfolio:	Councillor Jeavons - Environment and Transport
Related portfolios:	None
Service:	Clean and Green Services
Wards:	All
Key decision:	No
Forward plan:	No

1. Summary

- 1.1 This report informs members of the need to re-tender Walsall's contracts for the treatment, recycling and final disposal of municipal waste. This will ensure that the Council has in place a comprehensive range of waste management contracts essential to effective and efficient service delivery.
- 1.2 The existing contracts started on 1 April 2011 and expire on 31 March 2016 with no option to extend.
- 1.3 The anticipated future cost for treatment, recycling and final disposal of municipal waste will exceed the Public Contracts regulations 2006 (as amended) procurement threshold of £172,514 and therefore, in order to procure such services to the Council, consideration must now be given to commencing the tendering process.
- 1.4 Further, in order to comply with the Waste Framework Directive and the Waste (England and Wales) Regulations 2011 in relation to recycling material stream collections, this contract tender process will trigger a 'technically, environmentally and/or economically practicable' (TEEP) review of the waste collection service.
- 1.5 A separate report on compliance with the Waste Framework Directive (TEEP) is also presented to Cabinet today and Cabinet will note the relationships between these two reports.
- 1.6 Clean and Green Services require consultancy support to assist with the tendering process, tender evaluation and subsequent TEEP review.
- 1.7 The ongoing budget setting process for the period 2015/16 to 2018/19 includes potential changes to refuse collections which will have to be taken into consideration in the TEEP review process.

2. Recommendations

- 2.1 That Cabinet authorise officers to commence the procurement process for these services. The subsequent award of contracts will be subject to Cabinet approval.
- 2.2 That Cabinet authorise officers to commission specialist consultants, to be funded from within existing budgets, to assist in the procurement process and the subsequent review of proposals to assess whether they are 'technically, environmentally and/or economically practicable' (TEEP).

3. Report detail

- 3.1 As a Unitary Authority, Walsall Council has the responsibility to make arrangements for both the collection and disposal of municipal waste.
- 3.2 Under the Environmental Protection Act 1990, Section 45 places a duty on the Council to collect household waste and, if requested, commercial waste within Walsall, while Section 48 places a duty on the Council to provide a place for the disposal of waste collected by the Council.
- 3.3 The Council has a statutory target to recycle 50% of municipal waste by 2020. In 2013/14, a figure of 41.1% was achieved.
- 3.4 The table below illustrates the current main disposal and recycling streams and the providers:

Contract	Current Providers
Landfill	Biffa Waste Management Cory
Green waste composting	Jack Moody Sita UK
Co-mingled recycling	Casepak
Wood	Sita
Rubble	Jack Moody
Street sweepings	WCL Sita

- 3.5 The waste committed to the contract with Staffordshire County Council for incineration at the W2R facility at Four Ashes falls outside of this contract and is covered by a separate Inter Authority Agreement.
- 3.6 From 1 January 2015, the Council will be required to comply with the Waste Framework Directive and The Waste (England and Wales) Regulations 2011, in relation to recycling material stream collections. Current interpretation of the Waste Framework Directive is that co-mingled recycling collections will comply with the Waste Framework Directive provided separate collections of recyclable

material are not technically, environmentally and economically practicable (TEEP).

- 3.7 A separate report on Waste Framework Directive (TEEP) compliance is presented to Cabinet today. This report indicates that the Council is currently compliant with the requirements.
- 3.8 Procuring new waste treatment contracts, and the ongoing budget setting process for the period 2015/16 to 2018/19 which includes proposed changes to refuse collections, will trigger a review of compliance with the requirements of the Waste Framework Directive (TEEP).
- 3.9 Consultancy support is required:
- As the required capacity and expertise is not available in-house.
 - To support the procurement process and bid evaluation
 - To review and ensure compliance with Waste Framework Directive, taking into account proposed changes to collections (alternate weekly and charging for garden waste).
- 3.10 Officers are proposing to use the framework agreement from Eastern Shires Purchasing Organisation (ESPO) to select and commission consultants.
- 3.11 The indicative timetable for the procurement of the contracts is shown below;

Date	Activity
Late December 2014	Procure consultants
January 2015	Appoint consultants
February - June 2015	Write procurement documents
July 15	Post OJEU notice
July / August 2015	Contractor prepare bids
	Close for clarifications
September 2015	Tender close
October / November 2015	Tender evaluation and TEEP review
December 2015	Cabinet report
January 2016	Award contracts
10 working days	Alcatel period
1 April 2016	Contract commences

4. Council priorities

- 4.1 Re-tendering these services will contribute to delivering the following priorities contained in the Corporate Plan and The Walsall Plan 2013-16:
- Managing available resources responsibly for the benefit of our community;
 - Improving Health and Wellbeing, including independence for older people;
 - Creating safe, sustainable and inclusive communities – reducing levels of crime and providing the right environment for people to live in.

5. Risk management

- 5.1 When the co-mingled recycling contract was last tendered in 2010, markets were buoyant and the contract secured very favourable material prices. Like many industries, waste management has been affected by the recession and market prices for dry recycling materials are lower than in 2010. There is a risk that the cost of waste disposal will increase through the new contracts and this has been highlighted as a budget pressure for 2016/17 onwards. Reducing this risk depends upon the quality of the dry recycling material sent for reprocessing and the levels of contamination. Single stream materials command a higher price but involve changing collection methods. The consultants appointed will be asked to consider these factors when preparing tender documents and evaluating bids, taking into account potential changes to collections.

6. Financial implications

- 6.1 Commissioning of specialist consultants, to assist in the procurement process and the subsequent review of proposals to assess whether they are 'technically, environmentally and/or economically practicable' (TEEP) will be funded from within existing budgets.
- 6.2 Funding for waste disposal will be reviewed once the outcome of the tendering process is known and will be reported to Cabinet. Bidders will be required to demonstrate best value for money.

7. Legal implications

- 7.1 The value of the anticipated treatment, recycling and final disposal of municipal waste services will be above the current EU thresholds, which means they must be tendered in accordance with Public Contract Regulations 2006 (as amended). Legal and procurement advice will be taken throughout the tendering process to ensure compliance. The Council's Legal Services will need to work with Clean and Green Services and any consultants engaged to develop appropriate contractual provisions.
- 7.2 From 1 January 2015 the Council's waste management service must be compliant with the Waste Framework Directive and The Waste (England and Wales) Regulations 2011. No guidance has been published by Defra and interpretation of the legislation may change. Penalties for non-compliance have not been published.

8. Property implications

- 8.1 None

9. Health and wellbeing implications

- 9.1 In September 2012 the Council adopted the Marmot Objectives as objectives for improving Health and Wellbeing and reducing inequalities for the people of Walsall. These objectives have provided the framework for the Joint Strategic Needs Assessment, the Health and Wellbeing Strategy, the Sustainable Communities Strategy, and “The Walsall Plan”. The Recommendations in this Report are planned against these priorities.

10. Staffing implications

- 10.1 None

11. Equality implications

- 11.1 None

12. Consultation

- 12.1 Legal Services, Corporate Procurement and Finance have been consulted and their comments included in this report.

Background papers

None

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