

## **Cabinet – 20 March 2024**

### **Contracts for Waste Treatment and Disposal Services - Green Waste**

**Portfolio:** Councillor Murphy – Street Pride

**Related portfolios:**

**Service:** Environment, Leisure and Commercial Services

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Aim**

1.1. New waste contracts are required to ensure that the Council has in place appropriate arrangements for the treatment and final disposal of Green (garden) Waste.

#### **2. Summary**

2.1. This is a key decision because it involves significant revenue expenditure, and it has an impact on two or more wards.

2.2. The most recent contracts commenced on 1 April 2020 and should have expired on 31 March 2024, with contractual options to extend for a further 2 years. This report presents the outcomes of the procurement process that was necessitated due to the previous contractor declaring bankruptcy during January 2023.

2.3. The provision of two separate Lots for Waste Treatment and Disposal Services – Green Waste has been re-tendered, for a period of four years to commence service delivery from 1 April 2024 until 31 March 2028 with an option to extend the initial term of these contracts for up to a further two years from 1 April 2028 to 31 March 2030.

2.4. The outcome of the re-tendering process will create a budget pressure of circa. £24k per annum, dependent on the waste tonnages sent for disposal.

2.5. This report should be read in conjunction with the private report “Contracts for Waste Treatment and Disposal Services - Green Waste - Private Report” also presented to this Cabinet.

### **3. Recommendations**

- 3.1. That, following consideration of the confidential report in the private session of the agenda, Cabinet approve the award of Lot 1, for the provision of Waste Treatment and Disposal Services – (Kerbside Collected) Green Waste, with a projected annual contract value of circa. £410K (collection vehicles to direct deliver the waste to the bidders' facility), to Bidder No 1.
- 3.2. That, following consideration of the confidential report in the private session of the agenda, Cabinet approve the award of Lot 2, for the provision of Waste Treatment and Disposal Services – (from sources other than kerbside collections) Green Waste, with a projected annual contract value of circa. £110K (excluding transport), to Bidder No 1.
- 3.3. That Cabinet delegate authority to the Executive Director, Economy, Environment and Communities, in consultation with the Portfolio Holder for Street Pride to enter into contracts with the successful bidder by using the most appropriate procedures and to subsequently authorise contract extensions, contract variations, the sealing of deeds and/or signing of contracts and any other related documents for the provision of such services.
- 3.4. That Cabinet notes the financial impact on the 2024/25 disposal budget is a pressure of circa. £24k per annum dependent on the waste tonnages sent for disposal.

### **4. Report detail – know**

#### ***Context***

- 4.1. Tenders have been submitted and evaluated in accordance with the published Invitation to Tender, Financial Regulations, Public Contracts Regulations 2015 and Contract Rules, for an initial period of four years, from 1 April 2024 until 31 March 2028, with an option to extend by up to a further two years from 1 April 2028 to 31 March 2030.
- 4.2. As a Unitary Authority, Walsall Council has responsibility for both waste collection and waste disposal.
- 4.3. Approximately 98,600 properties receive a kerbside garden waste collection. Garden waste can also be disposed of at the HWRCs

#### ***Council Plan priorities***

- 4.4. Procuring these services will contribute to delivering the following priorities as stated within the Corporate Plan 2022-25:
  - Internal focus – Council services will be accessible and easy to use with improved customer satisfaction.
  - Council services will provide value for money measured through delivery of outcomes within agreed resources.

- Communities - The Borough's streets are clean, green and welcoming, with more waste recycled and less going to landfill.

### ***Risk management***

- 4.5. Lot 1 of this contract has historically been linked with significant risks on the basis that there are very few contractors with sites that are located close enough to enable the direct delivery of green waste in refuse collection vehicles. This risk will be mitigated once the new waste transfer station in Middlemore Lane opens (early 2026), as this will create the opportunity to transfer green waste from refuse collection vehicles for bulk transport to other locations if necessary.

### ***Financial implications***

- 4.6. In 2023/24 the budget for disposing of green waste was £364k, with a planned investment of £132k for 2024/25 due to cost increases associated with the insolvency of the previous contractor. The planned investment includes an inflationary increase of 3.9% giving a revised budget of £496k for 2024/25.
- 4.7. Using current tonnage data, the cost of disposing of green waste is forecast to be circa. £520k in 2024/25. Dependent on actual tonnages sent for disposal this is a budget pressure of circa £24k per annum. Green waste tonnages may vary from year-to-year dependent on resident requirements and weather conditions. If any pressure does arise due the tonnage collected and disposed; budgets will be identified within the service to mitigate.
- 4.8. The contract does not commit to delivering a definitive tonnage each year however tender documents did provide the total tonnages sent for disposal in 2022/23 to provide bidders with an indication of likely demand.

### ***Legal implications***

- 4.9. As a Unitary Authority, Walsall Council has 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:
- A duty under Section 45 of the Environmental Protection Act 1990 (EPA 1990) to collect household waste and, if requested, commercial waste within Walsall.
  - 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.
- 4.10. The Environment Act 2021 requires recyclable household waste to be collected separately from other household waste, and that it must be recycled or composted. The recyclable waste streams are defined as:

- (a) glass

- (b) metal
- (c) plastic
- (d) paper and card
- (e) food waste
- (f) garden waste

### ***Procurement Implications/Social Value***

4.11 The following were key procurement/social value considerations:

- The procurement process was undertaken with support and advice from the Legal and Procurement Teams, as well as an in-house designated procurement manager.
- The procurement and award processes are in accordance with the Council's Contract Rules, and the Public Contracts Regulations 2015
- Social value aspects of the procurement were evaluated and scored accordingly. Social value pledges will be monitored by officers to ensure they are realised.
- It is noted that most of the Social Value pledges relate to the Staffordshire region, where bidder 1 is based.

### ***Property implications***

4.12 None

### ***Health and wellbeing implications***

4.13 There are no direct health and wellbeing implications arising from this report. The service is considered to make a positive impact on general health and wellbeing by improving the quality of the environment within which our residents live.

### ***Reducing Inequalities***

4.14 Consultation with the Equalities team identified that an Equalities Impact Assessment is not required.

### ***Staffing implications***

4.15 TUPE regulations may apply to these contracts on renewal. However, there are no TUPE implications from the award of these contracts.

### ***Climate Impact***

4.16 This aim of these contracts is to ensure that all green waste collected from households, as well the waste collected at the HWRC's and by Council staff is processed for use as compost or other soil improving products.

By disposing of the waste in this manner, the Council is reducing the need for green waste to be landfilled, incinerated, or for residents to resort to garden fires.

Composting organic waste instead of it being allowed to naturally decompose is known to reduce greenhouse gases by up to 50%.

### ***Consultation***

- 4.17 The procurement of new green waste disposal contracts did not require public consultation.

## **5. Decide**

- 5.1. The Environment Act 2021 requires councils to collect green waste from households for recycling or composting. It is necessary to award these contracts for the treatment and final disposal of green waste with a start date that runs concurrently with the expiry of the existing arrangement on 1 April 2024.
- 5.2. The council may decide to change the approach to garden waste collections and disposal during the lifetime of this contract. There are no exclusivity or minimum tonnage clauses in the proposed contract so the council will have the required flexibilities should new ways of managing garden waste become necessary.

## **6. Respond**

- 6.1. After consideration by Cabinet of this report, the approved recommendations will be implemented with further briefings provided to the Portfolio Holder for Street Pride on request and as necessary.

## **7. Review**

- 7.1. There will be regular updates from Environment, Leisure and Commercial Services on contract performance and financial monitoring with Corporate Finance, the Portfolio Holder, and Directorate Management Team as appropriate.

## **Appendices**

None

## **Background papers**

None

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