

Contracts Update

SUMMARY

This report provides an update on the Authority's various waste treatment arrangements and procurements.

RECOMMENDATION(S) The Authority is asked to:

- 1) Note the information within this report.
- 2) Delegate the award of contracts for out of hours waste to the Managing Director in consultation with the Chair and Chief Technical Advisor.

1. Introduction - The waste treatment contracts managed by WLWA have delivered a residual waste management solution in accordance with the waste hierarchy that presents value for money and offers long-term reliability. New and existing procurements will deliver Policy 8 of the Joint Municipal Waste Management Strategy "The West London Waste Authority and constituent Boroughs will work together to achieve the aims of this strategy and are committed to share equitably the costs and rewards of achieving its aims".

2. West London Residual Waste Services Contract - The contract is operating well. In June it was reported that the Severnside Energy Recovery Centre (SERC) would be going through a phased shutdown so that planned maintenance could take place. This meant that the SERC would be able to process less waste than normal and alternative destinations would need to be found for some waste. During the shutdown 3,491 tonnes of waste went to alternative destinations, of which 434 tonnes went to landfill. The year to date landfill diversion rate for the contract is 99.59%. The shutdown work went very well with all planned maintenance and inspections completed ahead of schedule. Levels of wear on the machinery were generally lower than expected.

The waste transfer stations have adapted quickly to the change in train paths that occurred in May (as reported to the Authority in June).

3. Green waste and mixed organics waste contract - All contracts are performing well. Officers have reviewed the green waste and mixed organics contracts with West London Composting and Countrystyle. Existing contractual arrangements expire in March 2020 with a possible contract extension until 31 March 2022. The current market offers no significant improvements and are likely to be extended.

4. Abandoned Vehicles - This contract has been operational for four months. Redcorn Limited and the Boroughs are working well together and the contractor is responsive to requests submitted and are delivering upon their KPIs. WLWA is working on further improvements to internal processes to ensure smooth delivery of the service. At their last meeting, Members requested further information about the numbers abandoned vehicles. This is provided in Appendix 1.

5. Dynamic Procurement System (DPS) –To date there have been four qualification rounds (round five is currently open to applicants) and there are twenty-two pre-approved suppliers on the DPS. Non-compliant suppliers can reapply at any future stage. WLWA is working on attracting additional suppliers in specific material streams to the DPS.

6. Dry Recyclables – Following the Resources and Waste Strategy consultations, there is instability in the municipal dry recycling market. Officers are undertaking constant market testing. A short-term solution will be procured for Ealing Council (commencing 6th June 2020) and more Boroughs will be able to join the contract at a later date under the same terms and conditions.

The Contract will be advertised via the DPS and be open to all Bidders who have been approved onto the DPS via an application process. The Contract itself would be between WLWA and the Supplier, with all Operational Costs paid by the borough on a monthly basis. Any revenue earned from the sale of materials is paid to Ealing, also on a monthly basis.

7. Out of Hours Waste - A small proportion of WLWA’s waste is managed out of hours as a variation to the large residual waste contracts and the cost is increasing from 1st October. The market for residual waste treatment is currently volatile, with prices increasing due to major changes in the waste export market, including:

- The increased risk of a no-deal Brexit which could make it more difficult and costly to export refuse derived fuel (RDF) to mainland Europe.
- The extended shutdown of a major Netherlands energy from waste plant for major maintenance work, reducing waste imports.
- The increasing likelihood of the Netherlands government introducing a tax on imported RDF. This could lead to the introduction of similar taxes in other European countries and possibly also the UK.

Following conversations with the market, it is proposed that in order to deliver best value, new arrangements are procured for out of hours waste using the DPS, with the existing arrangement as a benchmark. Officers request that Members delegate award of contracts to the Managing Director in consultation with the Chair and the Chief Technical Advisor.

8. Carbon measuring – Waste has the ability to deliver carbon (CO2eq) improvements in support of climate change strategies. The GLA is already measuring Boroughs’ carbon performance as part of the Reuse and Recycling plans that they are asked to submit. In order to respond to Government consultations, and to support Boroughs in GLA negotiations, WLWA officers are at the early stages of investigating what measuring carbon will entail and what further benefits it might bring. Initial discussions indicate the biggest opportunities are in the waste materials, with collection methods having significantly less impact. Officers will continue to build their understanding of this topic and assess the market experience of carbon measuring.

9. Risk - Any risks are contained within the report.

10. Financial Implications - None.

11. Staffing Implications - None.

12. Health and Safety Implications - None

13. Legal Implications - None.

14. Joint Waste Management Strategy Implication - The contracts mentioned in this report meet the Authority’s Joint Waste Management Strategy polices.

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Appendix 1 – Abandoned Vehicles

Figure 1 shows the number of abandoned vehicles managed by WLWA contracts since July 2017. The contractor changed in April 2019.

The figures show a slight downward trend in abandoned vehicle numbers over this period.

Figure 1: Numbers of abandoned vehicles managed by WLWA contracts

