

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) Give approval to extend the following contracts:
 - a. West London Composting Ltd, by two years from 1 May 2020
 - b. CountryStyle Recycling Ltd, by two years from 1 May 2020
 - c. J Shorten & Sons Ltd, by two years from 1 May 2020
- 3) Delegate contract award of the dry mixed recycling contract to the Managing Director in consultation with the Chair and subject to confirmation of agreement from LB Ealing.

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 performed well over the busy Christmas and New Year period, despite Suez's rail haulier dropping trains during the first week of the new train path's timetable (WC 16 Dec) and engineering work reducing train movements in the Christmas week. Please see the Operations Update for more information.

Performance against the contract KPIs is very good, with landfill diversion for the year to date at 99.76% (target 96.1%) and recycling of residual waste at 5.6% (target 2.1%).

Improved fire suppression systems will be installed at Victoria Road and Transport Avenue transfer stations in summer 2020 to improve safety. Suez is working closely with WLWA to plan the upgrades in a way that will minimise disruption to the Boroughs.

3. Green waste and mixed organics contracts – extensions

West London Composting Ltd contract (Lot 1 and Lot 2) – This contractor provides an excellent service for the collection and treatment of green waste and mixed organic waste. The Lot 1 contract is for the treatment of green waste and the Lot 2 contract is specific to mixed organic waste. Both West London Composting Ltd contracts are performing extremely well and the initial term of both of these contracts is due to expire on 30 April 2020. The market has remained very stable since these contracts were procured and there is no reason to believe that a re-procurement will add value. WLWA would like to recommend that both Lot 1 and Lot 2 contracts are extended for the maximum period of two years as per the contract terms and conditions.

CountryStyle Recycling Ltd contract (Lot 1) – This contract covers the collection and treatment of green waste. The current contractor provides a very good level of service and WLWA and partners are happy with the service provided by CountryStyle Recycling. The initial term of this contract is due to expire on 30 April 2020 and the stability of the market indicates a lack of benefit from re-procuring. WLWA would therefore like to recommend that this contract is extended for the maximum period of two years as per the contract terms and conditions.

4. Transport contracts - extensions

J Shorten & Sons Ltd contract – This contractor provides an excellent service for the removal of non-recyclable waste from the HRRC's. The initial term of this contract is due to expire on 30 April 2020. Both WLWA and the Borough sites are happy with the service provided and the value for money it offers. Officers therefore recommend that this contract is extended for the maximum period of two years as allowed in the contract terms and conditions.

Suez Transport contract – This contract is for the removal of segregated materials from the HRRC sites in roll on roll off containers. The initial term of this contract is due to end on 31 May 2020, but it is possible to extend the contract by up to two years. The service is generally working well, but there is potential for both sides to make improvements. WLWA and Suez are currently working on these improvements and discussing the case for extending the contract.

5. Dry Recyclables

The Dynamic Procurement System (DPS) is currently being used to secure a processor for dry mixed recyclables collected by Ealing Council. The new arrangement will commence in June 2020 and run for five years with 12 month rolling break clauses, which will reduce risk-pricing by contractors and enable new arrangements to be sought if necessary, as a result of legislative changes (stemming from the Resources and Waste strategy) or other market changes.

Three strong bids have been received and are in the final stages of evaluation. The contract itself will 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 the Borough, also on a monthly basis. The procurement of this contract allows more Boroughs to join at a later date under the same terms and conditions.

6. Carbon

WLWA is coordinating joint carbon reduction work across all Borough operations (not just waste) and is reviewing the Boroughs' climate change strategies to help identify a sub-regional approach.

WLWA officers are also continuing to investigate methodologies for measuring carbon, particularly from waste management, and have met with several consultancies and waste management companies to assess the different approaches. Following this market assessment, officers will develop a proposed approach for measuring carbon.

7. Health and Safety

Following a competitive tendering exercise for an external health and safety advisor, Universal Safety Practitioners (USP) has been appointed. Induction meetings with staff are now taking place and USP is planning a review of health and safety practices within the organisation.

8. Risk - Any risks are described within the report.

9. Financial Implications - None.

10. Staffing Implications - None.

11. Health and Safety Implications - None

12. Legal Implications - None.

13. Joint Waste Management Strategy Implication - The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy policies.

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