

Annual Procurement Plan 2023/24

SUMMARY

This report provides details of the Authority's Annual Procurement Strategy for the year 2023/24.

RECOMMENDATION(S)

The Authority is asked to:

- 1) Approve the Annual Procurement Plan for 2023/24

1. Background

The Authority has the statutory responsibility to arrange for the disposal of controlled waste collected in its area by the waste collection authorities (the six constituent boroughs). The Authority and boroughs manage approximately 650,000 tonnes of waste per annum. Including waste streams for; re-use, recycling, composting, waste treatment and disposal. A significant proportion of the tonnage of both the residual waste and food waste is contractually committed under three long term waste treatment contracts:

- The Residual Waste Services Contract with West London Energy Recovery Ltd operated by Suez,
- The Waste Processing (Lakeside) contract with Viridor Waste Management Ltd; and
- The organic waste stream contract with Bio Collectors Ltd.

The remaining waste is managed via medium and short-term contracts and arrangements. These are subject to procurement and market testing on a regular basis to ensure value for money and/or best environmental options is being delivered within the existing waste market.

The procurement and provision of high quality waste management contracts is key to the delivery of key strategic objectives in the joint strategy (JMWMS); effective and efficient operations focused on where we want to be in the future and joined up and consistent approaches using high-quality data. Successful procurement of suitable services and arrangements will have a critical role in delivering the above strategic objectives.

2. WLWA Annual Procurement Plan

The full WLWA Annual Procurement Plan for 2023-2024 can be accessed [here](#). This plan contains all projected procurements coming up in the 2023/24 financial year. The business cases for procurements are analysed on the basis of its benefit to WLWA strategic objectives, outcome of market research and difficulty to procure.

If additional services are required as a result of market/policy changes throughout the year – a business case for each procurement over £50,000 will be discussed by the Procurement Review Board (PRB), and the Head of Service Delivery and/or Contract Manager will report back to Chief Officers / Members accordingly.

A business case for all procurements exceeding £50,000 will be developed and considered for approval by the PRB before procurement work commences.

Across all contracts WLWA strives to achieve Best Value which is defined as the most the most advantageous combination of quality, cost and sustainability to meet requirements.

In accordance with WLWA procurement rules Chief Officers and Members will be asked to approve contract award for procurements with a contract value over 1 million. Over 2023 – 2024 the following procurements will be sent for approval to Chief Officers and Members at the appropriate time during the course of the year.

Table 1: Anticipated procurements requiring Chief Officer and Member approval (Approximate contract values on a per-year basis)

PROJECT/SERVICE TO BE PROCURED	ESTIMATED ANNUAL VALUE (£ p/t)	TIMESCALE FOR PROCUREMENT
Flats contaminated Dry Mixed Recycling	£864,000	Jun-23
Mattresses	£600,000	Nov-23
Wood Recycling	£600,000	Jan-24
Street Sweepings Recycling	£200,000	Jan-24

Table 2 below presents a list of Circular Economy procurements that fall under WLWA’s Social Value and Reuse Programme. Although many of the procurements listed below are relatively low value they present a wide range of new Circular Economy projects and procurements proposed for this financial year.

The purpose of this programme is to decarbonise HRRC services and drive social value. The project will increase separation of materials, innovate new handling and storage methods to retain the value of the item not just the material it is made from. It will also deliver immediate changes to existing infrastructure and measure the social and financial value of circular economy projects.

Table 2: Circular Economy related procurements: (Approximate contract values on a per-year basis (unless stated as a one off cost))

PROJECT/SERVICE TO BE PROCURED	ESTIMATED ANNUAL VALUE (£ p/t)
CE HUBS: Fit out for CE hubs	£325,000 (cumulative total)
CE HUBS: Groundwork at CE hubs	
CE HUBS: Electrical contractors (surveys and installation)	
CE HUBS: Architects	
CE HUBS: Planning consultants	
CE HUBS: Legal advice	

Reuse contractor(s) for all HRRC's	£950,000 (Income)
Shipping containers for CE hubs	£75,000 (one off cost)
CE HUBS: EPOS / Inventory	£10,000 (one off cost)
CE HUBS: Phone line/IT	£15,000
CE HUBS: Insurance	TBC
CE HUBS: Signage for CE hubs	£40,000
Reuse material drop off boxes	£10,000 (one off cost)
Cargo bike to support CE hubs material transport	£6,000 (one off cost)

3. Social Value

Using waste for Social Value is both complex and dynamic. Over the last three years WLWA has developed a policy of giving resources away to stimulate the growth of reuse and repair markets to drive innovation.

At the start of the pandemic in 2020 WLWA adapted its operations to include the redeployment of a number of waste minimisation staff to sites. The work of these staff included setting up new systems to extract valuable products including bicycles, furniture, laptops and smart phones from sites. As a result WLWA now has a number of operating Circular Economy projects including a triage system in place for bicycles, a partnership with Restart and Fixing Factory on site for the repair of laptops and smart phones and a strong relationship with Petit Miracles for furniture repair and resale. These Circular Economy projects have generated a lot of interest and are bedding in well however they have also presented a number of challenges due to fluctuation in demand and the fact that supply and demand rarely match.

WLWA are now using a Social Value tool in order to start measuring the outcome of these projects. This process is complex, dynamic and difficult to deliver. WLWA has already measured the Social Value outcome of its furniture restoration project delivered through Petit Miracles. Results show that £4.39 of Social Value is created for every £1 spent.

WLWA see Social Value as an opportunity to create new waste systems (e.g, the development of the Bulky waste collection service and its evolution into the Materials Collection Service), change citizen behaviour and develop staff knowledge and empowerment. The challenges that lie ahead for WLWA with embedding Social Value projects are 1) expanding the supplier base to enable WLWA to develop more relationships with a wider range of suppliers and 2) demonstrating and measuring the Social Value promised through the supplier bid process via good contract management processes to enable WLWA to measure and report the outcomes of Social Value projects.

Green Waste Procurement 2022:

In April 2022 WLWA procured a supplier to collect and treat Green Waste from across the West London Waste Authority area. This contract was awarded to West London Composting and as part of their bid the supplier proposed to undertake a range of Social Value initiatives to support the local communities in west London. To date a number of Social Value projects have already been undertaken. These include:

- Harrow: The 'Stop and Grow' Project, Social Prescription Project in North Harrow – involving the supply of machinery, sleepers, tools, labour, seeds and wild flowers.

- Harrow: London Community Kitchen – supply of compost
- Hounslow: HAG Community Garden, Hounslow – delivery of 20t of Compost
- Brent Council: Supporting Brent Council's Climate Fair's through supply of compost to visitors to the fair

4. Materials Collection Service (MCS) procurement

This contract forms part of the WLWA Digital Twin and Communications programme and aims to improve material circularity across the boroughs. The MCS service will create a circular model for waste through material separation and diversion. This will facilitate increased capture and funnelling of more material through reuse, repair and recycle channels and away from residual waste.

The service will be used by residents across the boroughs of Brent, Hounslow, Ealing and Harrow, providing a household collection service. The procurement was published via the WLWA Dynamic Purchasing System on 06/03/23.

5. Paper & Card procurement for HRRC material

WLWA published a paper/card offtake procurement on 09/03/23 via the Dynamic Purchasing System. This material offtake contract will provide a supplier for the collection and processing of paper/card material generated via the HRRCs of Brent, Ealing and Hillingdon. An approximate 1,500 tonnes of Paper and Card, per year will be collected and processed and the contract will be designed so that other WLWA boroughs can join this contract at a later stage.

6. Low Carbon Procurement

The eight local authorities in West London – Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Richmond upon Thames, and Wandsworth – and West London Waste are collaboratively working together to reduce environmental impact through procurement activity by being proactive in embedding low carbon considerations in procurement processes across west London. This project has involved the development of a Low Carbon Procurement Policy, a Toolkit that sits behind it and a Charter.

The Low Carbon Procurement Toolkit provides advice and guidance to procurers in the local authorities to reduce carbon emissions across the procurement cycle and a database of questions, answers and KPIs for carbon. The toolkit aims to drive a coordinated and consistent approach across the participating authorities in achieving Net Zero objectives.

In order to develop a combined approach to engaging suppliers to help reduce west London carbon impacts, a Climate Commitment Charter for suppliers to sign up to, has been developed to show Suppliers commitment to contributing to the net zero aims of the West London Alliance.

The Low Carbon Procurement Policy, Toolkit and charter has been incorporated into WLWA suite of procurement documents since April 2022.

7. Dynamic Purchasing System (DPS)

In total 44 suppliers are pre-approved onto the DPS for the offtake of materials and services. If suppliers are unsuccessful in their application onto the DPS they can reapply at any future stage. The Contracts and Procurement Manager is working closely with potential suppliers to raise awareness of the procurement opportunities that exist within the WLWA DPS to increase and diversify the range of suppliers on the DPS.

The DPS will also support the boroughs by providing them with a procurement vehicle that offers greater flexibility, more efficiency and access to a wide range of pre-approved and specialist suppliers.

The DPS has been successfully used to procure out the Dry Mixed Recycling contract (used by Ealing), the treatment of mattresses contract, the treatment of green waste and the treatment of rubble. Going forwards the DPS will be used for procurement of paper/card material from Brent, Hillingdon and Ealings' sites, the procurement of a Materials Collection Service contract and for mini competitions for the treatment/recycling of a range of materials from HRRC sites.

8. Authority Contract Register

The Contract Register for 2023/24 has been published on the Authority's website in compliance with the Local Government Transparency Code 2014 requirements. [Click here](#) for a link to the website page hosting the Contracts Register.

The Contract Register details the Authority's current contracts for not only waste management operations but other goods and services where their expected value exceeds the £25,000 threshold for publication. Included are the details of expiry dates, review dates, approximate annual value and comments relating to the ongoing management of these services. As well as providing statutory information, the publication of the Contracts Register will permit potential contracting partners' to identify upcoming future tendering opportunities.

9. Authority Contracts and Procurement Rules

The updated Contracts and Procurement Rules were approved at the December 2020 Authority meeting. The Procurement Review Board is established and meets monthly to discuss the business cases for new procurements. WLWA will be required to update these rules in accordance with procurement process changes resulting from the new Procurement Bill once legislative details are finalised. The Contracts and Procurement Manager will also work closely with Heads of Procurement for WLWA's six London Boroughs (Via the collaborative Low Carbon Procurement group) to establish consistency across organisations' Procurement Rules.

10. Procurement Advice and Support

The Authority continues to have external legal advisors (Sharpe Pritchard and HB Public Law) in place to provide on-going support for the West London Residual Waste Services contract and other contractual issues relating to smaller waste contracts. These services are provided through Service Level Agreements and under Framework Agreements. Advisors from HB Public Law are also used to support contract and procurement decisions. Additional advice and support for procurement projects primarily the Dynamic Purchasing System is provided by Hounslow Council Procurement Team.

11. Financial Implications

Financial provision has been included within the approved 2023/2024 budget for the provision of the services, including any proposed procurements as set out in this report. Any procurements requiring Member approval will be presented at Authority meetings with reports detailing all key financial implications.

12. Risk Management – The proposals detailed in this procurement plan will be aligned with the requirements of the Authority's T&C Regulations. Officers will manage any risks that may be identified as they arise.

13. Health and Safety Implications – Health and Safety considerations form part of the tender evaluation process including potential partners’ record on health and safety and proposed future management arrangements. Where appropriate advice will be sought from the Authority’s Health and Safety advisors.

14. Legal Implications – As a local authority the Authority is required to act in accordance with the Public Contracts Regulations 2015. Many of the arrangements will involve the Authority entering into a formal contract.

15. Impact on Joint Municipal Waste Management Strategy – The procurement and provision of high quality waste management contracts are key to the delivery of the Joint Waste Management Strategy and strategic procurement and joint working across the boroughs is also vital to a number of key WLWA strategic objectives; ‘effective and efficient operations focused on where we want to be in the future’, ‘collaborative models in the sub-region and pan-London’ and ‘working joined up and consistent, using high-quality data’.

Contact Officers	Beth Baylay, Contracts Manager, bethbaylay@westlondonwaste.gov.uk	01895 545516
	Tom Beagan, Head of Service Delivery tombeagan@westlondonwaste.gov.uk	01895 545518
	Emma Beal, Managing Director emmabeal@westlondonwaste.gov.uk	01895 545515