

## Contracts Update

### SUMMARY

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

### RECOMMENDATION(S)

- 1) *The Authority is asked to note the information within this report.*

## 1. Introduction

The waste treatment contracts managed by WLWA deliver Policy 6 of the Authority's Joint Municipal Waste Management Strategy - "West London Waste Authority and constituent boroughs will seek a residual waste management solution in accordance with the waste hierarchy that presents value for money and offers reliability in the long term".

## 2. West London Residual Waste Services Contract

Since the June contract meeting the Full Services have continued to bed down and the service continues to improve. The following are highlights of the contract:

- a) Street sweeping – The London Boroughs of Brent and Hounslow have successfully started delivering street sweeping to Transport Avenue and Victoria Road. The service will be rolled out to the remaining boroughs over the coming months;
- b) Waste wood variation – This service has been running smoothly and has generated a saving compared to the previous contract with Stobarts Biomass Limited. The commissioning of the UK biomass power stations have been delayed due to technical issues and SUEZ has insulated the Authority from this turbulent situation. The Environment Agency is also toughening its stance on the classification of local authority collected wood. As with the Stobart Biomass Limited contract, the variation with West London Energy Recovery Limited is a biomass solution and therefore the Authority and boroughs are potentially protected from possible EA changes. Recycling cannot be guaranteed, although may sometimes be generated, and it is recommended that Boroughs should not rely on potential recycling performance for NI192 reporting;
- c) Oscillating stacks at SERC – The interim mitigation measures a SERC to prevent further oscillations of the stacks has been successful to date. The longer term solution to prevent the oscillations is likely to be installed when the SERC is down for interim maintenance which (at present) is expected in May 2018. The downtime at SERC caused by the stacks oscillation could result in the Authority missing its KPI target for landfill diversion for 2017/18;
- d) Oversized items causing blockages at SERC – Since the last Authority report there has been a significant improvement in the management of large items and as a result SERC has seen a sustained period of uninterrupted operation. An education campaign has been implemented with SUEZ and the boroughs working well together to ensure oversized items are identified and segregated;

- e) Fires at Transport Avenue – There have been two fires further at Transport Avenue since the last Authority meeting, in both incidences the sites were evacuated successfully with no one hurt and minimal disruptions to borough collections rounds.
- a. The first was caused by a disposable barbeque being deposited in general waste at a Household Reuse and Recycling Centre (HRRC). The waste containing the barbeque was loaded into an artic and as this emptied the waste at Transport Avenue the exposure to oxygen caused the waste to ignite. The fire caused £50,000 of damage to bulky shed which SUEZ has had repaired. As a result all boroughs have been asked to provide barbeque bins at HRRCs to prevent this from happening again.
  - b. The second fire was the result of third party dry mixed recycling catching a light due to what is believed to be a battery being crushed by a loading shovel. WLWA are awaiting the final outcome of the fire investigation report from SUEZ.
- f) Diversion rate - For the period of Full Service from 14<sup>th</sup> December 2016 to the 31<sup>st</sup> March 2017 the contract performance was 99.11% diversion from landfill which exceeded the 96.1% contract target. This is primarily because Suez is recycling 100% of the Air Pollution Control Residues (APCR) produced by SERC. This material is hazardous in nature but is neutralised then recycled into material suitable for concrete blocks. The contract encourages this over performance with a bonus payment.

### **3. Organics procurements**

The Authority will be re-procuring all its organics contracts this Autumn as the existing ones terminate on the 31<sup>st</sup> March 2018, these are for:

- Green waste contracts for up to 60,000 tonnes of capacity;
- Mixed organics for up to 20,000 tonnes of capacity;
- Food waste for up 40-50,000 tonnes of capacity.

Contracts for the green waste and mixed organics will be on same basis as the existing contracts two year contract with two year extension option. Officers are exploring options to procure a longer term contract for food waste to take full advantage of the market situation. A verbal update will be provided at the meeting.

### **4. Haulage contracts**

The Authority will be re-procuring all its haulage contracts this Autumn as the current ones terminate on the 31<sup>st</sup> March 2018. Officers are considering how the services offered to the HRRCs could be improved and link with the HRRC harmonisation strategy.

### **5. Risk**

Any risks associated with a contract are recorded on the Authority's risk register. This is reviewed monthly by the WLWA Officers and reported to the Audit Committee.

### **6. Financial Implications**

The approved 2017/18 budget includes rate increases.

### **7. Staffing Implications**

There are no direct staffing issues arising from this report.

### **8. Health and Safety Implications**

None

### **9. Legal Implications**

None

### **10. Joint Waste Management Strategy Implication**

The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy policies listed below:

Policy 5: West London Waste Authority and its constituent Boroughs will reduce biodegradable municipal waste landfilled with regard to the Landfill Allowance Trading Scheme.

Policy 6: West London Waste Authority and constituent Boroughs will seek a residual waste management solution in accordance with the waste hierarchy, that presents value for money and that offers reliability in the long term.

Policy 7: The West London Waste Authority and constituent Boroughs will seek to provide waste management services that offer good value, that provide customer satisfaction and that meet and exceed legislative requirements.

Policy 8: 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

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