

## 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. Procurements Update

The Authority last tendered its Food, Transport and Organic Waste treatment contracts in 2013 based on a two plus two year term. The current contracts were due to terminate on the 31st March 2018, but have been given a one month extension to allow for the tender evaluation to take place and will now terminate on the 31st April 2018. As approved by Members at the December 2017 Authority Meeting the award decisions were delegated to the Managing Director, Chair and Chief Technical Officer. A summary of the successful procurements is as follows:

- Food waste – Following market engagement, WLWA developed a strategy to deliver sustained low cost food waste treatment. Six strong submissions were received on 20<sup>th</sup> December for a 10 year contract to transport and treat food waste from West London. The recommendation report was circulated to Members and on the 14<sup>th</sup> February 2018, the Managing Director in consultation with the Chair and the Chief Technical Officer approved the appointment of Bio Collectors Limited as the chosen contractor for the Food Waste Treatment Services contract. Bio Collectors Limited offers boroughs an excellent opportunity to increase food waste capture rates from residents and to develop commercial food waste recycling collections, minimising waste and making a cost saving. Mobilisation of the contract has begun 1<sup>st</sup> April, in addition the Contractor has committed to achieving ISO 18001 accreditation or similar relating to Health and Safety within the first year. Officers will report back to Members when this has been achieved.
- Organics Treatment – The OJEU was issued and 18 Tenderers signed up to the tender portal. Following several extension requests from tenders, the final submission date for tenders was 12 noon on 1<sup>st</sup> March 2018. The evaluation process of tenders the following contracts were awarded
  - Lot 1 – Green Waste Treatment:
    - Agrivert Limited – one 10,000 tonne allocation;
    - Countrystyle – up to three 10,000 tonne allocations; and
    - West London Composting – up to three 10,000 tonne allocations.
  - Lot 2 – Co-mingled Green/Kitchen Treatment:

- West London Composting – one 20,000 tonne allocation.
- A one month extension was granted to the incumbent service providers to provide sufficient time to mobilise the new contracts. The new contracts commenced on the 1<sup>st</sup> May 2018.
- Transport Services - During the summer of 2017 Officers undertook extensive soft market testing the following became apparent:
  - To encourage greater interest, participation and competition for the transport services contract. The Authority Officers should change the structure of the procurement. Instead of two contracts for transport services split geographically for both bulker and RoRo services, the procurement should split the work by vehicle type; Lot 1 – Bulker services, Lot 2 RoRo Services:
  - Lot 1 – Hauliers operating articulated vehicles will be interested as they do not typically operate RoRo vehicles as part of their normal vehicle fleet.
  - Lot 2 – Smaller local companies operate RoRO services as part of their waste or construction businesses and would be more likely to tender.
- The OJEU was issued and 28 Tenderers signed up to the tender portal. The submission date for tenders was 12 noon on 27<sup>th</sup> February 2018.
  - Lot 1 – Artic services: Nine tenders were received; following the evaluation process one of the incumbent contractors J Shorten and Sons was awarded the contract. J Shorten and Sons has also provided a very good service to half the HRRCs over the past 4 years and therefore it is anticipated the service performance will improve for the new HRRC sites serviced.
  - Lot 2 – RoRo Services: 10 tenders were received and evaluated with SUEZ Resource and Recovery awarded the contract. Their service offering is predicated on driving efficiency and maximising the payloads of the RoRo transport services. This will be facilitated by SUEZ providing PDAs for staff at all the HRRCs to monitor and order the emptying of containers at site. This should drive a reduction of costs by reducing the number of vehicle movements and increase in service performance.
- The new contracts commenced on the 1st May 2018 for Lot 1 and 1<sup>st</sup> June 2018 for Lot 2. A summary table showing the new and old rates is provided as a PART item.

### **3. Risk**

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

### **4. Financial Implications**

The approved 2018/19 budget was based on the existing food waste treatment rates; therefore boroughs will see the benefit of the new contract in 2019/20 financial year.

### **5. Staffing Implications**

There are no direct staffing issues arising from this report.

### **6. Health and Safety Implications**

None

### **7. Legal Implications**

None

### **8. 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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