

## 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; and*
- 2) *Approve the direction of travel for Twyford HRRC and waste transfer station.*

- 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 Energy Recovery Ltd contract** - SUEZ has started the process of ordering and installing £3m worth of onsite fire suppression and fighting systems for both Transport Avenue and Victoria Road and is exploring improved fire detection technologies. Since the Authority meeting on the 21<sup>st</sup> September, SUEZ has successfully re-opened the bulky waste building as planned on 24<sup>th</sup> September following the fire on the 26<sup>th</sup> June. Following the annual maintenance shutdown in July when the stacks were refurbished SERC has continued to see the operational efficiency of the plant improve and is now regularly operating at 98% efficiency. This is also combined with SERC operating uninterrupted for a record 93 days without any downtime due to blockages.
- 3. Procurement Plan** - In accordance with the 2018/19 procurement plan the Authority will be going to market to investigate the best options for mattress recycling, abandoned vehicle disposal and a joint MRF contract. Further updates will be provided at the January 2019 Authority meeting.
- 4. Mattress Treatment and Recycling** - The Authority last procured mattresses in the autumn of 2014, with the existing four-year contract with Matt UK due to expire on the 31<sup>st</sup> March 2019. Over the length of this contract the number of mattresses collected by boroughs has increased from 80,000 to 120,000 mattresses per annum, the upward trend is set to continue. The last mattress treatment and recycling procurement highlighted that market was still in its infancy and that technologies and suppliers were limited. As a result, the cost per tonne for treating and recycling mattresses is higher than residual waste landfill and treatment. Both Borough Officers and Members were asked if they wanted to pay the additional costs of recycling mattresses. There was a unanimous vote of support for the contract. Officers have started soft market testing, early indications show that market has not improved.
- 5. Abandoned Vehicle Collection Storage and Disposal** - Since November 2015 abandoned vehicles have been collected, stored and disposed of by the Authority. It is now time to re-tender this service and the Authority will be procuring the service on behalf of all the boroughs. Procurement will commence in quarter 4.
- 6. MRF Procurement Update** – Officers have identified a lack of MRF capacity in West London which results in constituent Boroughs paying additional haulage costs to existing MRFs. Additionally, government consultation is expected which will change the commercial arrangements for packaging materials collected by Boroughs. The Authority and its constituent Boroughs have an

opportunity to create a joint procurement to create new MRF capacity over the longer term and to create a strong negotiating position in the market. Soft market testing and visits to the joint procurements by the Cambridgeshire & Peterborough Recycling Partnership and the Suffolk Waste Partnership have taken place. The information needed for a joint procurement has been collated, land searches have started and procurement documents are being prepared; subject to approval within the individual Boroughs participating in the project.

7. Officers sent formal notification of procurement (108 days) on the 28<sup>th</sup> September 2018 as required under Section 358 of the Greater London Authority Act 1999 as amended by Section 39 of the Greater London Authority Act 2007. Officers are aiming to issue the OJEU notice before the end of March 2019.

8. **Twyford HRRC and WTS** - As Members are aware, over the last two years Officers have been modernising, updating and improving the operations at Authority's Twyford Waste Transfer Station and Household Reuse and Recycling Centre Abbey Road, Brent. This has involved two on site management restructures, implementing improved Health and Safety and Environmental management and improving the waste diversion and recycling performance of the HRRC and waste transfer station. These work streams have resulted in an overall improvement in the site, improved environmental performance and improved health and safety standards. Since July 2018 a Site Manager has been seconded from SUEZ, bringing additional support in management, compliance and health and safety. This Site Manager secondment has benefited the staff and customers through sharing knowledge and experience of existing SUEZ policies and procedures and lessons learned operating more than 100 similar sites across the UK. It is also more in line with the wider management structure which, since the signing of the Residual Waste Service contract in November 2013, is a contracting Authority.

9. Officers are negotiating with Suez to formalise these arrangements to further modernise the working practices on site, generate greater revenue returns and increase efficiency. In the longer term Officers are working towards a harmonised HRRC service across west London. A further update will be provided at the January 2019 Authority meeting.

#### **10. 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.

#### **11. Financial Implications**

There are no financial issues arising from this report

#### **12. Staffing Implications**

There are no direct staffing issues arising from this report.

#### **13. Health and Safety Implications**

None

#### **14. Legal Implications**

None

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

The contracts mentioned in this report meet the Authority's Joint Waste Management Strategy polices 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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