

## 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) *Delegate the award of contracts for mattress recycling and abandoned vehicles to the Managing Director in consultation with the Chair and the Chief Technical Advisor.*

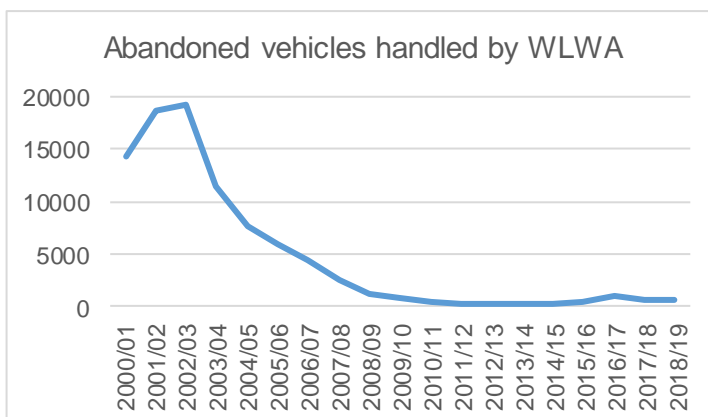
1. **Introduction** - The waste treatment contracts procured and managed by WLWA deliver Policies 7 and 8 of the Authority's Joint Municipal Waste Management Strategy: to provide waste management services that offer good value, that provide customer satisfaction, that meet and exceed legislative requirements, to work together to achieve the aims of the strategy and to share equitably the costs and rewards of achieving its aims.
2. **West London Energy Recovery Ltd contract** – SERC has now been operational for two years, at the beginning of December there was a planned shutdown to carry out an inspection of the plant to mark the end of the commissioning process and formal handover of the plant to SUEZ as the operating contractor. The inspection was a success with no issues discovered. Any items already identified remain the responsibility of HZI and the stacks have an additional warranty following the work carried out earlier in 2018. In November a waste composition analysis was carried out at both waste transfer stations. Results show a calorific value of around 11 mega joules/kg, which is around the average value for other energy from waste plants. SUEZ managed a very effective Christmas operation at the Transfer Stations.
3. **Food Waste Treatment** – The Biocollectors contract has been performing well since it started in April 2018. Officers have agreed a variation with Biocollectors which will bring gas powered vehicles to the contract. The vehicles which collect food waste from the West London transfer stations will be fuelled by gas produced from west London's food. Biocollectors will procure and install the necessary infrastructure at the anaerobic digestion facility in South London over the next 12 months.
4. **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.
5. **Mattress Treatment and Recycling** – The number of mattresses sent for recycling has increased by 3% since 2017/18 and the average cost of disposal is more including transport from each HRRC per tonne than waste directed through the residual waste services contract. Boroughs have repeatedly agreed that recycling is better than disposal.
6. Mattresses are a difficult waste to handle. They need to be shredded before being recycled or recovered for energy generation but the cost and impact on the shredders means that landfill can be the cheapest option. They are bulky and difficult to compact, which creates a lot of journeys at a low load weight. Based on the number of mattresses generated in west London the number of journeys in to the waste transfer stations would increase by almost 500 per year if mattresses were

no longer separated for recycling and there would be additional impacts on waste processing capability at these sites.

7. The figures suggest that approximately one fifth of households in west London change their mattresses each year. This is significant and with the availability of low cost mattresses, increased marketing from companies suggesting a replacement of mattresses every 7 or 8 years and an increase in the bed bug population meaning that landlords are increasing changing mattresses between tenancies it is important that Officers lobby government to include mattresses in any forthcoming extended producer responsibility scheme.

Borough	Brent	Ealing	Harrow	Hillingdon	Hounslow	Richmond
Proportion of mattresses	23%	18%	18%	14%	13%	14%
Tonnes to end Nov 2018	294	230	230	179	166	179

8. **Abandoned Vehicle Collection Storage and Disposal** – The tender for the Abandoned Vehicles Collection, Storage and Disposal Contract was issued on 15<sup>th</sup> Jan 2019. Submissions are due by mid-February. Evaluation will take place during that month and a successful bidder chosen in early March for a new contract to be mobilised for 1<sup>st</sup> April. The contract shall run for a period of three years with an option for the Authority to extend in periods up to two years. Partner boroughs were consulted when drafting the Contract Specification, and feedback was requested from the incumbent contractor to ensure the Authority benefits from lessons learned.



The number of abandoned vehicles collected and disposed of by the WLWA contract has been in decline since the millennium. Since 2009 the number of vehicles has remained under 1,000 vehicles collected per annum.

9. **Dynamic Purchasing System (DPS)** – Officers have developed a dynamic purchasing system to enable the Authority to procure short term, low value waste and recycling offtake solutions efficiently and as appropriate to prevailing market conditions. It enables joint procurement for all constituent Boroughs, which will increase efficiency and bring economies of scale. It went live on the OJEU website on 11<sup>th</sup> January as an online portal to pre-approve suppliers for the offtake of materials and services. Potential suppliers can join at any time, the initial pre-qualification stage is one month and specifications are being drawn up for a range of contracts including mattress recycling, recycling of cardboard, metals and inerts from HRRCs.

10. Existing suppliers are now aware of the DPS and it has been promoted locally with positive interest. The first contract using this system can be procured from 8 March 2019.

**11. Risk**

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

**12. Financial Implications**

There are no financial issues arising from this report

**13. Staffing Implications**

There are no direct staffing issues arising from this report.

#### 14. Health and Safety Implications

None

#### 15. Legal Implications

None

#### 16. 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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