

Contracts and operations update

SUMMARY

This report provides an update on the Authority's waste treatment arrangements and procurements. The key points are:

- The Authority's largest contract, which involves sending non-recyclable waste by train to an energy recovery centre, is operating well despite significant challenges over the summer. Disruption from rail strikes is set to continue.
- A new contract has been let to process the Authority's rubble, hardcore and soil. This will result in savings to the Authority.
- The Environment Agency is proposing that authorities collecting electricals and domestic seating must do so differently to safely manage the Persistent Organic Pollutants (POPS) that they contain. The Authority is lobbying for a pragmatic approach.

RECOMMENDATION(S) The Authority is asked to:

- 1) Note the information within this report.

1. Introduction

This report provides an update on WLWA's existing contracts and operations for managing west London's waste.

2. West London Residual Waste Services contract

This contract is with West London Energy Recovery Limited (WLERL) and is operated by Suez. It involves the acceptance of waste from Boroughs at west London transfer stations, from where most of the waste is compacted into containers and transferred by rail to Severnside Energy Recovery Centre (SERC) for thermal treatment and energy recovery. It is the Authority's largest contract, handling over 300,000 tonnes of residual waste each year, with a value of around £35 million per year.

The contract continues to perform very well against its Key Performance Indicators (KPIs) for the current year-to-date, where a landfill diversion rate of 99.9% (target 96.1%) was achieved along with a recycling rate of 5.0% (target 2.1%).

This summer, several major challenges were managed by the Contractor. Firstly, major rail strikes in mid-June meant that less waste could be transported by rail, leading to higher-than-normal waste stocks at the two transfer stations. Then SERC went offline over three weeks for planned maintenance work meaning that more waste needed to be transported by road to alternative sites. The Contractor managed this period of operational stress very well and there were only minor delays to Borough collection vehicles and collections from Borough waste sites.

The SERC maintenance work was delivered successfully, and the facility was found to be in very good condition.

Further rail strikes took place in July and August, and again the Contractor planned for these and managed the impacts well, using increased road haulage and alternative energy recovery sites. Despite the challenges, no waste was sent to landfill during this period. The series of rail strikes

will continue, however the strikes planned for 15 and 17 September have been postponed as a mark to respect to the Queen.

On 1 August, Suez's waste transfer stations in Hayes, suffered a major fire. WLWA uses the site for tipping some bulky waste collected from Borough HRRCs/transfer stations and occasionally for contingency if there are problems at the large transfer stations. Nobody was injured, and the fire was extinguished, but significant damage was caused to the shed and waste processing equipment within. Part of the site has been confirmed safe and is accepting small quantities of waste, but the other part is still closed and being assessed. Whilst the initial cause of the fire was thought to be a battery going through a shredder, the conclusion was that fireworks went through the shredder and were ignited. WLWA and the Boroughs acted on the initial findings and put out communications about keeping batteries and barbeques out of the waste stream, which are important messages despite not being the cause this time. WLWA is exploring options with Borough colleagues for preventing unwanted materials from entering the waste at Borough sites.

The March edition of this report explained that users of the Victoria Road transfer station in Ruislip had been experiencing minor delays due to mechanical problems with the cranes in the waste bunkers. An immediate-term fix has since been implemented, increasing the reliability of the cranes. There will be a further short-term fix completed by the end of the calendar year and then the cranes will be replaced completely during summer and autumn next year. This will result in temporary changes to some Boroughs' tipping arrangements, which will be agreed with Borough colleagues.

Upgrades to the fire suppression systems at the transfer stations have progressed well and are almost complete at Transport Avenue. Victoria Road will receive the upgrade next, and this is expected to be completed in January.

3. Viridor residual waste contract (Lakeside)

This contract is for 90,000 tonnes a year of residual waste which is thermally treated at Lakeside energy recovery centre near Slough.

The contract is operating well and received additional waste during the rail strikes and SERC outage. Deliveries to Lakeside will be reprofiled for the remainder of the year to ensure that the 90,000-tonne limit is met.

4. Food waste contract

The food waste contract with Biocollectors continues to operate well. The Projects Update provides a description of the performance of Borough food waste collections.

5. Green waste contract

The new green waste contract with West London Composting (WLC) was mobilised on 1 May and has been operating very effectively. The contract includes a free allocation of compost for WLWA and the Boroughs. Officers are developing plans for how best to use the compost, including supporting Borough landscaping operations and give-aways to residents and community groups.

A fire occurred at WLC's composting site in Harefield on the night of Monday 12 September. Nobody was injured and the fire was extinguished. Some equipment was damaged but the site is still able to accept directly delivered green waste, and contingency composting sites are being used whilst the equipment is replaced.

6. Transport contracts

The Authority lets two waste transport contracts:

- One for transporting non-recyclable waste from Borough waste transfer stations and Dry Mixed Recycling (DMR) collected by Ealing, typically using bulk haulage vehicles, operated by Waste-A-Way Recycling.

- One for the removal of segregated materials from Borough HRRC sites in roll-on roll-off (RoRo) containers, operated by Suez.

Both contracts were reprocedured and went live on 1 June following a successful mobilisation period. Suez operated the RoRo contract prior to the procurement, and it continues to run the contract very well. Waste-A-Way has settled into running the bulk haulage contract and is doing this well. The scheduling of collections from the Borough sites is different in some cases, so the Boroughs and the Contractor are currently adjusting to the changes and finding the optimal working arrangements.

7. Dry Recyclables

The contract is operating well, and there are no operational issues to report.

8. Rubble contract

A new contract for managing around 4,000 tonnes a year of rubble, hardcore and soil from the Borough HRRCs/transfer stations has been procured. A robust procurement exercise via the Dynamic Procurement System (DPS) attracted lots of market interest, and four strong bids were received. The winning bidder was Quattro UK Ltd, which has a site in Acton and others across the west London area. Quattro submitted a bid which demonstrated a strong approach to carbon management and social value, plus a high diversion rate from landfill of 99.8%. Its price was the significantly lower than previous arrangements and will deliver a saving of around 35% or £60k/yr against the budget. The contract starts on 12 September and will last for one year with the option to extend by a further year. The Procurement Award Report is attached at Appendix 1.

9. Abbey Road HRRC and Waste Transfer Station

Abbey Road HRRC and WTS is managed by WLWA, and the HRRC is run on behalf of Brent.

In late August there was an incident in the waste transfer station where the Loading Shovel reversed into the 360 Grab vehicle while it was operating. There were no injuries, but the Loading Shovel was damaged and has since been repaired. A full investigation into this health and safety incident is in progress and an employee has been suspended as a precautionary measure while the outcomes are determined.

The Fixing Factory continues to develop and improve. It is now receiving laptops from four Borough sites for repair and re-distribution to disadvantaged groups, whilst also providing training opportunities for local people.

Further site improvements include the installation of solar panels on the workshop roof, which is due to take place this month, the purchase of a fully electric forklift and the operational trial of a fully electric 360 grab. Automatic Number Plate Recognition is also being introduced to improve the efficiency of admitting customers to the site.

10. Legislative change

Persistent Organic Pollutants (POPs)

The Environment Agency has announced its intention to enforce segregation of waste materials containing Persistent Organic Pollutants (POPs) – which are commonly found in fire retardants and are common in waste electricals and upholstered domestic seating. These items are collected at Borough HRRCs. POPs can cause harm to humans and the wider environment and therefore must be managed safely and not end up in landfill. The Environment Agency has written to waste authorities requiring them to separate out POPs-containing materials that are destined for disposal and send them separately for incineration.

West London's authorities already send these materials to energy recovery facilities, but the Agency is asking for them to be handled separately before they get there. This reduces the efficiency of the process, leading to additional cost and carbon impacts throughout the system, including at Borough HRRCs, and it is unclear how it will improve the safe management of POPs. WLWA is therefore working with industry associations including NAWDO and Waste

Network Chairs (of which WLWA's Managing Director is the current Chair) to push for a more pragmatic and risk-based approach that safely manages POPs while maintaining efficient waste systems. The WLWA operations team is supporting Boroughs to understand and adapt to the impacts of any required changes at Borough sites.

Major waste reforms

Over a year has passed since the Government consulted on major reforms to waste and recycling, including Waste Prevention, Extended Producer Responsibility (EPR), Deposit Return Scheme (DRS), and Consistency of Collections. The government has only responded to the EPR consultation results, saying that it will be introduced for household waste, but the roll-out for business waste will be delayed. All the consultations are linked, so the lack of responses causes significant uncertainty for WLWA and the Boroughs because we do not know what will be required of us, or even when to expect change, and time is running out to meet net zero and recycling rate goals. WLWA officers are talking with Borough colleagues regularly to understand the risks and possible mitigations as well as possible in this time of uncertainty.

Recent consultations

Many consultations were published earlier this year on subjects including digital waste tracking, waste carrier registration, environmental targets, booking systems and "DIY" waste charges at HRRCs and the inclusion of energy from waste within the UK Emissions Trading Scheme (ETS). WLWA has responded to all the consultations.

Out of these consultations, ETS is likely to have the largest impact on WLWA as it could increase residual waste treatment costs by around £36/tonne. These costs can be mitigated by reducing the fossil fuel content of residual waste, which will form a key component of the joint plan to 2030 that WLWA is developing in partnership with the Boroughs.

11. Operational changes following the death of HM Queen Elizabeth II

Some contingency tipping arrangements were put in place for on 13 September due to heavy traffic around Victoria Road transfer station as the Queen's coffin arrived at RAF Northolt.

All Boroughs decided to postpone waste collections and close their waste transfer stations/HRRCs on the 19 September bank holiday for the Queen's state funeral. Catch-up collections are scheduled to take place on Saturday 24 September.

12. Health and Safety Implications

Risk assessments are being fully reviewed to account for outcomes from the investigation of the above incident at Abbey Road.

Additional waste at the rail linked transfer stations, due to the operational issues discussed in Section 2, could increase the risk of fire. This risk has been communicated to Borough operational colleagues, and the Operations Contractor has put additional fire prevention measures in place.

Quattro, the new rubble contractor described in Section 8 will receive Boroughs' rubble via the transport contractor Suez. WLWA officers will ensure that Suez drivers are inducted in the safe use of Quattro's sites.

The Authority's health and safety rules may be updated to allow vulnerable persons including young persons (aged 16-18) to work at Abbey Road, particularly to gain experience in circular economy activities. Please refer to the Health and Safety report for a proposal.

13. Financial Implications

Upgrades to the cranes and fire suppression systems at the waste transfer stations will be financed by the Contractor.

Under the WLERL contract, any increased haulage costs, or gate fees at alternative energy recovery centres will be borne by the Contractor.

The new rubble contract will cost the Authority 35% (approx. £60,000 per year) less than the budgeted amount.

Please refer to the Finance Update for a summary of the current position against the budget.

14. Staffing 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, as described in Section 1.

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Appendix 1

West London Waste

Treating waste as a valuable resource

WEST LONDON WASTE AUTHORITY

August 2022

Procurement Award Report for Rubble, Hardcore & Soil

Summary

This report provides details of the procurement for the Processing and Disposal of Rubble, Hardcore and Soil waste contract.

Awarded Supplier

Quattro UK Ltd has been awarded for the provision of WLWA's Rubble, Hardcore and Soil contract. The new contract commenced on 12 September 2022.

Introduction

- WLWA has historically used Gowing and Pursey as an off taker but a few months ago this supplier ran into financial difficulty and could no longer take this material.
- O'Donovan, has been sourced as a temporary off taker. Without a formal arrangement in place, prices have been fluctuating monthly.
- The procurement for a new Rubble, Hardcore and Soil supplier was prioritised and four suppliers were approved to be evaluated.

Contract Scope

- The material will be transported via RoRo under the haulage Lot 2 (Suez) contract to the off taker's facility.
- Contract duration is for a maximum of 1 year in total (with an option to extend for a further year), starting 12 September 2022.

Evaluation

The four bidders varied in terms of quality, understanding of WLWA requirements, skills, experience and cost. They were analysed based on 70% pricing and 30% quality scoring. Supplier B (Quattro UK Ltd) scored highest overall and won the evaluation (see summary below):

Overall Summary				
	Supplier A	Supplier B	Supplier C	Supplier D
Pricing Score	41.30%	70.00%	37.55%	54.21%
Weighted Quality Score	15.0%	15.0%	12.0%	24.0%
Overall Score	56.3%	85.0%	49.5%	78.2%

As a result of awarding Quattro UK Ltd as WLWA's Rubble, Hardcore and Soil Offtaker, the cost of managing this material will reduce against the budget by approximately 35% which equates to an annual saving of approximately £60,000.

Other benefits of the winning bidder

- Based in Acton, W3 0BP
- Bid back 100% diversion from landfill (99.8% recycling and recovery rate)
- Good evidence of H&S procedures, risk assessment and waste reporting.
- Comprehensive Carbon Management Plan and certifications related to carbon reduction and social value.