

Quarterly Procurement update

SUMMARY

This report provides a quarterly update to Members on WLWA's procurement pipeline up to the end of the financial year and highlights future joint strategic procurements.

RECOMMENDATION(S) The Authority is asked to:

- 1) To approve the request to procure an outlet for excess residual waste (Section 3) and delegate authority to appoint a contractor to the Chair in consultation with the Chief Executive and the Treasurer.

- 2) To note this procurement update

1. Introduction

This report provides a quarterly update on WLWA's procurement pipeline and highlights future joint strategic procurements.

2. Procurement pipeline (Q3 2024 – Q1 2025)

WLWA has a number of procurements that will commence in Q3 of varying scale and complexity. A few of the procurements such as the procurement of Fuel supply, West London HRRC Services and Processing & Treatment of Dry Recyclables are strategic procurements and will create interesting opportunities to work with WLWA boroughs to deliver joint procurements to support their services.

To note - The next key procurements with hard deadlines are all on track – these include procurement of the IT provider, Processing & Treatment of Dry Recyclables, Fuel supply for Abbey Road, Waste Compositional Analysis and Digital Twin platform resource.

2.1. Strategic Procurements

Treatment and processing of Dry Recyclables

The WLWA Dry Recycling contract expires in June 2025 and this contract currently covers recyclable material generated from properties across Brent and Ealing. Pre-engagement work is underway with WLWA's borough partners and suppliers to ascertain interest in a re-procurement. Brent and Ealing councils have expressed interest and are currently going through governance processes to confirm their commitment.

The contract will aim to procure material streams under separate Lots – a stream for containers/mixed material and a stream for paper and card (for boroughs that collect paper and card separately from other dry recyclables). As part of this contract, WLWA is also exploring the market for new opportunities to process heavily contaminated dry recyclables from flats/communal properties – to derive more value for boroughs from this difficult waste stream.

This presents an exciting opportunity to work in partnership with a number of boroughs to create additional cost savings through the scale/volume of the material. With higher tonnage, the contract will be more attractive to suppliers and will secure greater investment from suppliers.

Joint working in this area has been shown to increase financial benefits to local authorities, by increasing the quantity of recyclable material presented to the marketplace and therefore its potential value. Developing a partnership approach can also remove duplication of effort and benefits can be derived from combining learning and expertise. This contract will be procured via WLWA's Dynamic Purchasing System (DPS).

We request Members encourage their boroughs to consider the opportunity to join the procurement or list their boroughs as potential boroughs in the procurement documentation to create the economies of scales of a joint procurement.

West London HRRC Services

As described in the HRRC report, WLWA is looking to enhance service provision to residents across the West London region and generate significant savings for Boroughs and WLWA by creating joint working principles regarding policies, operations, performance and cost across HRRC sites. This would involve the joint procurement of all or some of the west London HRRCs operations. A procurement of this nature will require a significant lead time and may involve additional procurement resource to help deliver.

Fuel Supply

Work is currently underway to secure a formal contract for fuel supply looking into ways to create efficiencies and potential for the Brent Abbey Road site. WLWA has approached all six boroughs to establish whether there is interest in joining the procurement to create additional savings through economies of scale. It is likely this may be procured via the Crown Commercial Services fuel framework.

2.2. Other WLWA procurements

Information and Communications Technology (ICT)

The Procurement Business Case was approved by Procurement Review Board (21/08/24) to commence procurement of an ICT provider for WLWA. The provider will handle daily maintenance and support services, including a major migration project. An IT consultancy are providing support with determining the technical specification and the procurement will be published via the London Tenders portal in mid Sept '24.

Waste Composition Analysis (WCA)

This sampling work is currently being procured and will provide residual WCA data for all WLWA boroughs. Sampling will take place in October '24 and is key to driving a better understanding of what materials are being disposed of in residual waste. This will give insights into resident behaviour and inform projects that reduce leakage of valuable material into residual waste.

Plant Machinery at Abbey Road

Plant machinery (360 material handler, the loading shovel and the RoRo hooklift vehicle) at the Abbey Road site are near the end of their operating lives and have experienced a number of mechanical issues. WLWA are currently operating with leased vehicles to enable operations to safely continue. A number of options are currently being considered regarding repair and sale of vehicles, and leasing replacements over a specified contract term. The Procurement Business Case will present the results of pre market engagement and estimated costs for procurement scenarios for consideration in early September '24.

Health & Safety (H&S) support

WLWA is currently reviewing their requirement for H&S advice and support. The current contract for H&S support expires 31/01/25 and work is currently being undertaken by the WLWA Managers' group to determine key requirements for support/services going forward. Procurement will take place in October '24.

3. Excess Residual Waste

WLWA has experienced an unexpected increase in residual waste arisings this year which has resulted in the need to procure additional outlet for this excess waste which falls above the maximum contracted amount covered by the WLER and Viridor residual waste contracts. The tonnage is projected to be between 20,000 and 40,000 which will require processing by the end of the financial year (31/03/25). This is between 4.5% and 9.0% of the residual waste that WLWA will manage in 2024/25.

This material outlet will be procured via WLWA's Dynamic Purchasing System and will have an approximate value of £2,000,000 to £5,000,000 (depending on tonnage processed). This arrangement will process either bulky residual waste (from Borough HRRCs/transfer stations), or 'black bag' residual waste (from Borough collections) depending on the market's appetite and the availability of local tipping points. The key evaluation criteria for bids will be landfill diversion and price.

This procurement is necessary because residual waste is forecast to exceed the quantities that Boroughs expected during the budget setting process. The Authority is asked to approve the procurement of a contract for excess residual waste and delegate approval to award a contract to the Chair in consultation with the Chief Executive and Treasurer.

4. Completed low value procurements in Q2 2024

Over July and August, Abbey Road has experienced failure of both weighbridges. After surveying and technical consideration it was agreed that both weighbridges are at the end of their operational lives and must be replaced. Quotes were obtained from four market suppliers and Libra have been instructed to fulfil this work for WLWA. The Libra Pit mounted weighbridges will be installed with an eight-week lead time and total cost is £46,000. Civils work may also be required and will be procured separately.

5. Procurement Act 2023

WLWA is preparing for the changes that will result from the Procurement Act coming into force on 28 October 2024 and acknowledge that it will apply only to all new WLWA agreements created after this point in time.

All current and planned commercial opportunities are being reviewed to assess how they'll be affected by the new Act and WLWA procurement operating procedures and rules are also being reviewed to ensure they are future proofed for the new regime.

The Act introduces a number of changes which will have an immediate impact on WLWA's upcoming procurements – these include amongst others:

- Increase in the number and type of procurement notices which impact keys stages in the procurement cycle (Planning and pre-tender market engagement, Procurement, Contract Award, Contract Management)
- Change to the range/type of procurement procedures
- Reduction to the standstill period
- Increased requirement for contract management and KPI reporting on high value contracts

Preparation has also involved attending a number of training events (a number of which have been hosted by Sharpe Pritchard, WLWA’s legal advisors) and also seeking legal advice on some procurement/contractual issues. Where appropriate procurement/commercial staff will also need to understand the Government’s Transforming Public Procurement (TPP) programme and undergo the necessary training via Government Commercial College training modules.

6. Procurement Advice and Support

The Authority continues to have external legal advisors (Sharpe Pritchard and HB Public Law) in place to provide on-going support for the West London Residual Waste Services contract and other contractual issues relating to smaller waste contracts. These services are provided through Service Level Agreements and under Framework Agreements. Advisors from HB Public Law and Harrow Procurement Team are also used to support contract and procurement decisions. Additional advice and support for procurement projects (primarily using the Dynamic Purchasing System) is provided by Hounslow Council Procurement Team.

7. Financial Implications

Financial provision has been included within the approved 2024/25 budget for the provision of the services, including the proposed procurements as set out in this report.

PROCUREMENT	ESTIMATED ANNUAL VALUE (£ p/t)	CONTRACT VALUE (INC EXTENSION PERIOD)
Treatment and processing of Dry Recyclables	£2,500,000	£12,500,000
West London HRRC Services	<i>new service - scale and scope not yet known</i>	
Fuel Supply	£70,000	£210,000
Information and Communications Technology	£400,000	£400,000
Waste Composition Analysis (WCA)	£30,000	£30,000
Plant Machinery at Abbey Road	£300,000	£300,000
Health & Safety (H&S) support	£60,000	£180,000
Excess Residual Waste	£2,000,000 to £5,000,000 (<i>dependant on tonnage</i>)	

8. Health and Safety Implications

Health and Safety considerations form part of the tender evaluation process including potential partners’ record on health and safety and proposed future management arrangements. Where appropriate advice will be sought from the Authority’s Health and Safety advisors, Universal Safety Practitioners Ltd. WLWA’s contract with Universal Safety Practitioners Ltd expires on 01/02/25.

9. Legal Implications

As a local authority the Authority is required to act in accordance with the Public Contracts Regulations 2015 and the legislative changes arising under the new Procurement Act (28/10/24) as described in Section 5.

10. Staffing Implications

None

11. Impact on Carbon reduction

Investments in the infrastructure weighbridges, compactors and plant machinery at the transfer stations and HRRCs will reduce carbon by:

- Speeding up tipping times, increasing the efficiency of the Boroughs' collection services and saving carbon.
- Increasing payloads of trains
- Preventing fires and keeping the transfer stations operating by rail, preventing the need for carbon intensive road haulage

Growth in residual waste per household means an increase in carbon emissions per household. Analysis is taking place to determine if the waste growth is coming from households or is waste that has been captured from the commercial sector.

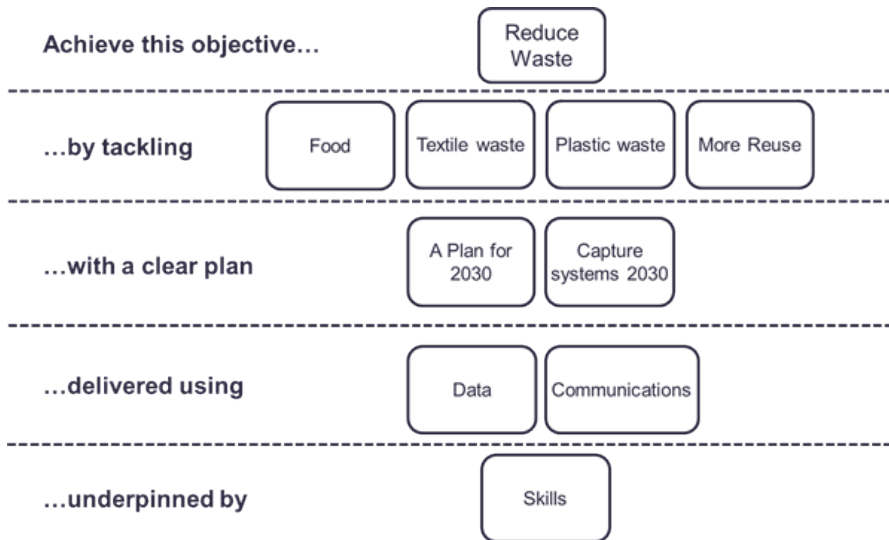
Joint procurements will create efficiencies in systems and haulage and will save carbon.

12. Impact on Environment Directors Priorities

Priority	Key points raised within this report
Bringing residents with us	Procuring new services/systems which create access to new waste / recycling services and upgrading facilities improve the consistency and reliability of services to residents.
Sustainable decision making	Procuring new contracts that enable WLWA to create enhanced infrastructure and services to increase reuse and circular economy practices which in turn reduce consumption emissions.
Climate adaptation and decarbonisation	Identifying fire prevention measures is a key climate change adaptation through effective interception of E-waste, plastics and other fossil carbon containing materials.
Dealing with financial challenges whilst delivering on climate change	Working together to create joint strategic procurements across the boroughs creates resource savings, efficiencies and carbon reduction.

13. Impact on Joint Municipal Waste Management Strategy

The framework of a joint plan for 2030 to be developed by WLWA and Boroughs was agreed in March 2022 and is shown below.



Strategic procurements that encourage cross borough working in order to make improvements to systems and services which create carbon efficiencies and carbon savings underpins the Plan for 2030 and Capture Systems 2030.

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