

Executive Advisory Panel Service Delivery, Performance and Customers

1st November 2021

Report Title	Procurement of contract for the haulage and treatment of kerbside collected dry recycling material
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None.

1. Purpose of Report

- 1.1. The purpose of this report is to seek comment from the Service Delivery, Performance and Customers Executive Advisory Panel to inform the decision of Executive in regard to the commencement of a procurement project for a contract for the haulage and treatment of dry recycling material (DRM) collected as part of the Council's kerbside waste collection.

2. Information

- 2.1 North Northamptonshire Council (NNC) is committed to delivering a high-quality waste collection service. As part of the Council's statutory duties for waste it is required to provide a separate collection of paper, plastics, metal and glass as a minimum.

3. Recommendations

- 3.1 It is recommended that the Service Delivery, Performance and Customers Executive Advisory Panel:

- a) Considers the commencement of procurement of a contract for the haulage and treatment of kerbside collected dry recycling material; and
- b) Provides feedback to the Executive to inform their decision making at its meeting on 18th November 2021

4. Report Background

- 4.1 NNC as a unitary authority has a responsibility as a Waste Disposal Authority and has a statutory duty to plan for the treatment and disposal of residual municipal waste which includes the collection and disposal of DRM. NNC spends approximately £2.6m on the treatment and disposal of approximately 35,000 tonnes of DRM per annum.
- 4.2 The Council currently has a variety of contractual arrangements in place for the processing of DRM, all of which terminate either late 2021 or early 2022, and as such it is required to seek a new arrangement which covers all the waste operational areas and meets with NNC's requirements for ethical treatment and disposal of materials arising from NNC's kerbside collection service.
- 4.3 It is proposed that a new contract will be for a period of three years and will contain the ability to extend for up to two twelve-month periods, giving a total contract length of five years.
- 4.4 Processing capacity for this material is at a premium within the UK and as such suppliers will seek waste streams that present the optimum quality for processing within their facilities. Recyclate that is contaminated with organic material, food waste and other offensive materials is not considered desirable as contaminants significantly affect the financial yield available for each commodity. This in turn affects the processing costs and reduction in efficiencies in the operation of materials recycling facilities and will impact on the price per tonne levied back to NNC for material sent for treatment.
- 4.5 In order to maximise the quality of the recycling material collected from households, the authority provides the appropriate containers as well as information to support and encourage residents to separate and present their recycling appropriately. Communications are continually reviewed and distributed to encourage this behaviour from residents.

5. Issues and Choices

- 5.1 Officers have reviewed the existing contract arrangement in conjunction with colleagues from both legal and procurement teams and there is no scope to flex or extend existing arrangements.
- 5.2 NNC is required to provide collections for municipal household waste which includes separate arrangements for dry recycling.
- 5.3 NNC could procure a contract for a longer or shorter period. However, the recommended length is common and familiar within this market as it provides the authority with certainty that they will have an operator as well as providing

the operator with certainty of supply over a time period for which they can plan their operations. A longer period can reduce NNC's ability to reassess the market and reconsider their position. A balance is therefore required to find the optimum length; the additional extensions provide NNC with the ability to seek this optimum length.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 There is a risk that the new contract price is greater than the current arrangements. This could result in a budget pressure. Alternatively, it could be lower than the current arrangements and result in reduced expenditure. This will not be known until the outcome of the procurement exercise.

6.2 Legal

6.2.1 The Environmental Protection Act 1990 requires local authorities to provide waste collections to households and the Waste (England and Wales) Regulations 2011 requires those collections to encompass arrangements to separately collect paper, metal, plastic and glass as a minimum.

6.2.2 The Public Contracts Regulations 2015 requires contracts for supplies and services in excess of £189,330 to be tendered in accordance with the regulations by way of a tender process.

6.3 Risk

6.3.1 Loss of recycling processing and disposal facilities has been identified as a key risk for the waste management service and has been included in the corporate risk register. Procurement of a contract is one of the mitigating actions to reduce the likelihood and impact of this risk.

6.3.2 There is a risk that any new contract may be more expensive per tonne than the existing arrangements. This can only be determined by carrying out a procurement exercise. Even if it is more expensive than the current arrangements, it will be the most cost-effective option that the authority can achieve given it is not able to extend the current arrangements.

6.4 Consultation

6.4.1 None

6.5 Consideration by Scrutiny

6.5.1 This item has not been considered through the scrutiny process.

6.6 Climate Impact

6.6.1 By ensuring the authority has a contract in place for dry mixed recycling, they can continue to promote and encourage the separate collection and treatment of recyclable material. This approach seeks to reduce the environmental impact of waste disposal. In addition, by virtue of the contract arrangements the Council can monitor the onward transmission of material collected to ensure that it is ethically and environmentally managed in accordance with Waste Management legislation.

6.7 Community Impact

6.7.1 The recycling service is popular with residents who wish to ensure the environmental impact of their waste is reduced as much as possible. By putting in place a contract for dry mixed recycling, the authority can encourage and promote recycling, which provides all communities with the associated environmental and societal benefits.

7. Background Papers

7.1 None