

## EXECUTIVE 18<sup>th</sup> November 2021

<b>Report Title</b>	<b>Procurement of contract for the haulage and treatment of kerbside collected dry recycling material</b>
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<b>Executive Member</b>	Councillor Graham Lawman, Executive Member for Highways, Travel & Assets

<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974</b>	

### List of Appendices

None.

### **1. Purpose of Report**

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- 1.1. The purpose of this report is to seek approval from the Executive to commence 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 service.

### **2. Executive Summary**

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- 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**

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3.1 It is recommended that the Executive:

- a. Authorise procurement for the haulage and treatment of kerbside collected Dry Recycling Material (DRM) in accordance with the Council's Constitution.
- b. Delegate to the Executive Member for Highways, Travel and Assets, in consultation with Executive Director for Place & Economy, Executive Director for Finance and the Executive Member for Finance, the authority to take any further decisions and/or actions required in connection with the procurement and award of the contract, without the need to return to the Executive.

3.2 Reason for Recommendations:

- The recommended course of action is the most cost-effective and enables the Council to make informed decisions regarding its medium-term financial planning.
- This option ensures the authority has a legally procured and compliant processor for its DRM.

### **4. Report Background**

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4.1 The Council is the Waste Disposal Authority for the North Northamptonshire area and has a statutory duty to plan for the treatment and disposal of residual municipal waste which includes the collection and disposal of DRM. It spends approximately £2.6m on the treatment and disposal of approximately 35,000 tonnes of DRM per annum.

4.2 The Council has inherited from the sovereign councils a variety of contractual arrangements in place for the processing of DRM, all of which terminate either late 2021 or early 2022. It is therefore necessary and appropriate to seek a new arrangement which covers all the waste operational areas and meets with the Council's requirements for ethical treatment and disposal of materials arising from its 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 potential 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 the Council for material sent for treatment.

- 4.5 In order to maximise the quality of the recycling material collected from households, the authority provides 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**

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- 5.1 Officers have reviewed the existing contractual arrangements in conjunction with colleagues from both legal and procurement teams. There is no scope to flex or extend existing arrangements.
- 5.2 The Council is required to provide collections for municipal household waste which includes separate arrangements for dry recycling and therefore ceasing the service is not an option.
- 5.3 External delivery of the contract is the only viable option at the current time. Consideration of alternative options for delivery will be considered in the longer term but at the current time, external delivery of the Council's statutory duty is considered to be the best option due to the lack of a local authority owned materials processing facility, which would require significant capital investment.
- 5.4 Consideration could be given to offering 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 restrict the Council's ability to respond to market conditions. A balance is therefore required to find the optimum length of contract. It is considered that the optional contractual extensions provide the Council with sufficient flexibility to secure this optimum length.

## **6. Implications (including financial implications)**

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### **6.1 Resources and Financial**

- 6.1.1 There is a risk that the new contract price is greater than the current arrangements, which cost in the region of £2.5m per annum. 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; however, all waste collection authorities are currently competing for access to processing resources.

### **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. The report was presented and discussed at the Service Delivery, Performance and Customers Executive Advisory Panel on 1 November 2021 who were supportive of the recommendation to procure a new contract for DMT.

### 6.6 Climate Impact

6.6.1 By ensuring the authority has a contract in place for dry mixed recycling, it 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

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7.1 None