



## EXECUTIVE 22<sup>nd</sup> February 2022

<b>Report Title</b>	<b>Procurement of Contract for the Treatment of Collected Organic Garden Waste</b>
<b>Report Author</b>	George Candler, Executive Director of Place and Economy
<b>Lead Member</b>	Cllr 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/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

### List of Appendices

#### Appendix A – Equalities Impact Assessment

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

---

- 1.1 The purpose of this report is to seek approval from the Executive to commence a procurement project for a contract for treatment of organic garden waste collected as part of the Council's kerbside waste collection service.

##### **2. Executive Summary**

---

- 2.1. North Northamptonshire Council (NNC) is committed to delivering a high-quality waste collection service. As part of the NNC's statutory duties for waste, there is the provision of the collection of organic garden waste which is one of the most valued aspects of the NNC's waste collection service.

### **3. Recommendations**

---

- 3.1. It is recommended that the Executive agrees that delegated authority be given to the Executive Member for Highways, Travel and Assets, in consultation with Executive Director of Place & Economy and the Executive Director for Finance, to commence and conclude a procurement process to identify a preferred bidder and enter into the legal agreements to appoint a preferred bidder for the provision of services relating to the treatment of collected organic garden waste.
- 3.2. Reasons for Recommendations:
- The recommended course of action is the most cost-effective and enables the NNC to make informed decisions regarding its medium-term financial planning.
  - This option ensures the authority has a legally procured, compliant processor which demonstrates best value in respect of the treatment of NNC's organic garden waste.
- 3.3. Alternative Options Considered:
- Extending or modifying the existing contracts. This is not possible as the existing contractual arrangements do not have enough scope to include additional material yield from this activity.
  - Do nothing – This is not possible as it leaves the Council open to challenge and increases the risk that the Council will be left with either an unaffordable outlet, or limitations to the avenues for disposal of the material.

### **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 organic garden waste. NNC (including current spend met by Wellingborough Norse) allocated approximately £880k on the treatment and disposal of approximately 28,000 tonnes of compostable garden material per annum.
- 4.2. NNC currently has two arrangements in place for the processing of organic garden waste. The arrangements for the Kettering and Corby areas end on 31<sup>st</sup> March 2022. The intention is to agree an interim arrangement for the disposal of organic garden waste for the Kettering and Corby areas to ensure a reliable disposal route until the new contract is in place. NNC has a separate contract for the treatment of garden waste from the East Northamptonshire and Wellingborough areas which expires in March 2023. As such, it is required to seek a new arrangement which covers all the waste operational areas and

meets with the NNC's requirements for ethical treatment and disposal of materials arising from the NNC's kerbside collection service.

- 4.3. It is proposed that a new contract will be for a period of five years and will contain the ability to extend for up to two twelve-month periods, giving a total contract length of seven years.
- 4.4. Organic garden waste has a high moisture content, which adds to its relative mass against the volume of material produced. As such it is key to limit wherever possible, the distances required to move this material for treatment. This is to ensure that any gains made by the recovery and diversion of this material from landfill and the associated avoidance of leachate is not lost in increases in greenhouse gas emissions from diesel powered road haulage. In addition, there are financial benefits to minimising the costs of haulage for this material.

## **5. Issues and Choices**

---

- 5.1. Officers have reviewed the existing contract arrangements which cover East Northamptonshire and Wellingborough, in conjunction with colleagues from both legal and procurement teams and there is no scope to flex or extend existing arrangements.
- 5.2. 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 NNC with certainty that they will have an operator as well as providing the operator with certainty of supply over a period for which they can plan their operations. A longer period can reduce the NNC's ability to reassess the market and reconsider their position. A balance is required to find the optimum length; the additional extensions provide NNC with the ability to seek this optimum length. The length of this contract has been considered following engagement with the local market. There is a requirement for operators to make some capital investment in local infrastructure that will improve the arrangements available to NNC. To give local operators surety for any infrastructure investments they make it is recommended to give a five-year term for this contract.
- 5.3. There are two types of processing available for this type of material. It is recommended that NNC seeks a contract for Industrial Composting. Both types of available process are briefly described at paragraphs 5.3.1 and 5.3.2.
  - 5.3.1 Industrial (Aerobic) Composting – large- scale composting which is designed to handle a very high volume of organic waste. This is the simplest composting method. Microorganisms that need oxygen, break down the material that is gathered in large piles, and turned frequently to promote further oxygenation. This process produces heat as the material decomposes and takes approximately six weeks. Due to the temperatures that are reached, pathogens and weeds are destroyed, and the material is sanitised.

- 5.3.2 Anaerobic Decomposition – This process works with the absence of oxygen, and material is sealed in containers while it decomposes. This is a colder process and can work well if there is food waste material included. This process tends to take up to six months to complete and as such is often a more expensive process for disposal of garden waste only.

## **6. Next Steps**

---

- 6.1. Following approval to commence a procurement process, it will be necessary to develop documents and instructions for prospective bidders via a fully compliant tendering process. Officers from procurement teams have already been consulted on the potential requirement to procure a new contract.

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

---

### **7.1. Resources and Financial**

- 7.1.1. 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.
- 7.1.2. There is a 30% difference in costs of disposal under the current arrangements. By harmonising this arrangement, thus benefitting from economies of scale, it is expected that the provision will be within the existing budget profile.
- 7.1.3. The current arrangement for the treatment of organic garden waste in the Kettering and Corby areas does not provide for an increase in duration. Agreeing a short-term, interim arrangement does carry the risk of a procurement challenge under the Public Contract Regulations 2015. This is mitigated to some extent by agreeing to a procurement timetable and providing potential bidders with the opportunity to bid for these services within the next 12 months.

### **7.2. Legal and Governance**

- 7.2.1. 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 collect organic garden waste.
- 7.2.2. 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.

### **7.3. Relevant Policies and Plans**

7.3.1. Procurement of this contract will contribute to NNC's statutory requirement for the provision of waste collection for households and is supported by the Highways and Waste Service plan and the North Northamptonshire Household Waste & Recycling Policies.

### **7.4. Risk**

7.4.1. 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.

7.4.2. 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 through the legally compliant procurement route, given it is not able to extend the current arrangements.

### **7.5. Consultation**

7.5.1. None

### **7.6. Consideration by Executive Advisory Panel**

7.6.1. Owing to committee timetables, it has not been possible for the Executive Advisory Panel (EAP) for Service Delivery, Performance and Customers to consider the report, however, it has been shared with the Chair of that group for their consideration.

### **7.7. Consideration by Scrutiny**

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

### **7.8. Equality Implications**

7.8.1. An Equalities Impact Assessment (EqIA) screening form has been completed and is attached at Appendix A. There are no negative impacts on any of the protected groups owing to the recommendations of this report.

## **7.9. Climate Impact**

7.9.1. By ensuring the authority has a contract in place for the processing of organic garden waste, it can continue to promote and encourage the separate collection and treatment of this material. This approach seeks to reduce the environmental impact of waste disposal. In addition, by virtue of the contract arrangements NNC can monitor the impacts of managing the material to ensure that it is ethically and environmentally managed in accordance with Waste Management legislation and aligns with NNC's strategy in terms of Climate Change.

## **7.10. Community Impact**

7.10.1. The garden waste service is highly prized by residents who wish to increase the total amount of material recycled from householders by utilising the full range of recycling opportunities available to them. By putting in place a contract, NNC can encourage and promote recycling, which provides all communities with the associated environmental and societal benefits.

## **7.11. Crime and Disorder Impact**

7.11.1. By providing a convenient, reliable waste and recycling service to all households, it enables and encourages residents to dispose of their waste and recycling in a legally compliant and environmentally responsible way.

## **8. Background Papers**

---

8.1. None