

From: Susan Carey, Cabinet Member for Environment
Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Environment and Transport Cabinet Committee – 19 January 2021

Subject: Approval to commission and award a new contractual arrangement for the receipt and processing of wood waste

Key decision: 20/00122

Classification: **Unrestricted**

Past Pathway of report: N/A

Future Pathway of report: for Cabinet Member Decision

Electoral Division: All Divisions are affected

Summary: This report seeks Member approval to commission and award a new contractual arrangement for the receipt and processing of the County's waste wood that is deposited at the Household Waste and Recycling Centres by Kent residents.

Recommendation(s): The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for the Environment on the proposed decision to commission and award a contractual arrangement up to ten years for the receipt and processing of waste wood to cover KCC's requirement as the Waste Disposal Authority, as attached at appendix A.

1. Introduction

- 1.1 This report provides information concerning the option to commission and award a new Wood processing Contract deposited at Kent's HWRCs by Kent residents.
- 1.2 The Authority has a contract in place with Countrystyle Recycling Ltd for the processing of wood waste. The contract commenced 4th October 2010 and following the initial term and 5-year extension period, a further 1-year extension period in accordance with the Public Contracts Regulations 2015 (PCRs) using regulation 32(2) C was invoked in November 2020 and is due to end 14th November 2021.
- 1.3 KCC is seeking a new contract to manage circa 23,711 tonnes of waste wood per annum, to commence on the 15th November 2021. This commission will enable the Authority to meet its statutory duty as the Waste Disposal Authority to provide facilities for the disposal of waste and secure best value.

2. Relevant History

- 2.1 Waste wood includes items frequently disposed of by residents such as, furniture, packaging, fence panels, window frames, doors and frames, decking and flooring, roofing trusses, shed-buildings.
- 2.2 KCC's contracted treatment facilities grade the wood and dispose of it according to its grading; 'A' grade wood is sent abroad where it is made into panel-board and remade into furniture. Lower grade wood is sent to a biomass facility in Ridham, Kent where it is used as a fuel to generate energy.
- 2.3 KCC partners with Medway Council, where an historic agreement is in place to utilise this contractual service for the provision of their waste wood which gives KCC better buying power in the marketplace.
- 2.4 There are limited wood processors within Kent which may limit the market interest for this commission. However, the contract will be for ten years which should be of a sufficient length to attract the market with appropriate break clauses to protect KCC's commercial interests.
- 2.5 KCC Waste Management is committed to working towards the zero to landfill target, by continuing to divert waste wood away from landfill by using treatment and recycling facilities.
- 2.6 In addition, KCC Waste Management is seeking local disposal arrangements, (where waste infrastructure allows) in order to reduce its carbon footprint in delivering these materials.

3. Options considered and dismissed:

1. Do nothing – the current contract will elapse. This is not an option as KCC as the Waste Disposal Authority has a statutory obligation to provide a waste disposal service.
2. Discontinue accepting the wood waste at the HWRCs – this is not an option due to KCC's obligation to take this material under waste legislation.
3. Undertake a full commissioning activity to procure a new contract - The contract has already been extended twice therefore, a new commissioning activity is required to secure a provider who is able to process the waste material which is both financially and environmentally beneficial for the Authority. A diagram of the waste hierarchy is at Appendix B).

Option 3 is the preferred option. The Authority is seeking to appoint a new provider to secure a contract (for up to ten years) that will benefit and achieve the best outcomes for the Authority and Kent households and fulfil the statutory duty of KCC operating under the Environmental Protection Act 1990, to dispose of collected municipal waste.

4. Financial Implications for KCC's Wood Waste only (not including Medway)

- 4.1 The cost of the commission will be met by existing revenue budgets which is £925,600 per annum.

- 4.2 The projected cost for the initial 5 years term is circa: £3.7 million, with an additional £4.1 million for a further 5-year extension (including estimated indexation), with an overall cost of circa £7.8 million for a 10-year contract.
- 4.3 Haulage costs are accounted for within the Transfer Station contracts and will be incorporated as part of the evaluation methodology.
- 4.4 There is possibility of a profit share or rebate on the recycled material which will be considered as part of the commissioning strategy.

5. Legal implications

- 5.1 A key function of the Waste Disposal Authority operating under the Environmental Protection Act 1990, is to provide outlets for the disposal of household municipal waste.

6. Equalities implications

- 6.1 The Equality Impact Assessment undertaken concluded that no protected characteristics will be impacted upon either positively or negatively as a result of this contract.

7. Governance

- 7.1 Through the decision outlined above, any further decisions required to allow the scheme to proceed through to delivery will be taken by the Head of Waste Management and Business Services for Highways, Transport and Waste under the Officer Scheme of Delegations following prior consultation with the Cabinet Member

8. Conclusions

- 8.1 The current contracts for receipt and processing of waste wood expire in November 2021. New contracts need to be in place, to reduce the risk of unplanned costs and offer KCC best available market value and enable the Authority to discharge its statutory duty as Waste Disposal Authority.

9. Recommendation:

- 9.1 The Environment and Transport Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for the Environment on the proposed decision to commission and award a contractual arrangement up to ten years for the receipt and processing of waste wood to cover KCC's requirement as the Waste Disposal Authority, as attached at Appendix A.

10. Background Documents

- 10.1 Equality Impact Assessment
- 10.2 Appendix A – Proposed Record of Decision Sheet
- 10.3 Appendix B – Waste Hierarchy Diagram

11. Contact details

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