

To: Matthew Balfour, Cabinet Member for Environment and Transport

From : Roger Wilkin – Director, Highways, Transportation and Waste

Decision No: 16/00072

Subject: The award of contract(s) for the disposal of additional local authority collected waste:

- Lot 1 – additional residual waste
- Lot 2 – reception and bulking of co-mingled dry recyclate and food waste collected by Maidstone Borough Council

Classification: Unrestricted

Future Pathway of Paper: None

Electoral Division: Whole of Kent

Summary:

Kent County Council's residual waste is currently delivered to the Allington Energy from Waste plant where it is converted to energy. Maidstone Borough Council's food and co-mingled dry recyclables, including glass is also received and bulked at the Allington transfer station and then transported away for final treatment.

This waste is processed under contract by Kent Enviropower Ltd (KEL). A significant condition of this contract is Service Commencement. This is triggered once KCC delivers the threshold of 325,000 tonnes of waste per annum to the plant. This threshold was met in 2015/16 and as such, KEL has now served notice that this minimum tonnage commitment must now be maintained for the duration of the contract.

The Energy from Waste plant has been reliable and in the last financial year has enabled the processing of 354,000 tonnes of waste; avoiding the need to use landfill sites.

As waste forecasts are forecast to grow in line with housing and population growth, and having surpassed the minimum tonnage commitment under the KEL contract by 29,000 tonnes, Waste Management has decided to commission alternative contractual arrangements for the additional waste in order to reduce current disposal costs.

Recommendation(s):

The Cabinet Member is asked to agree to the award of two contract(s) for the disposal of additional local authority collected waste.

1. Introduction

1.1 Kent County Council's residual waste is currently delivered to the Allington Energy from Waste plant where it is converted to energy. The waste is

processed under contract By KEL. The contract has a minimum tonnage commitment of 325,000 tonnes. Due to increases in waste volumes, in 2015/16 KCC has exceeded this minimum commitment by 29,000 tonnes.

1.2 This affords KCC the opportunity to commission and procure services for this additional waste above the minimum tonnage commitment to realise financial savings to meet MTFP savings targets.

1.3 The proposed contract(s) will be divided in two lots

Lot 1 - additional local authority collected waste is typically black sack waste that is not able to be recycled, re-used or composted. This waste substantially accounts for the additional local authority waste growth which is above the minimum tonnage commitment processed by the Energy from Waste plant

Lot 2 - co-mingled dry recyclate and food waste is collected by Maidstone Borough Council at the kerbside collection service and taken to the transfer station facility in Allington. The co-mingled waste is bulk and taken to the material recycling facility in Crayford for processing and the food waste is bulked and taken to Blaise Farm, Kings Hill for composting

1.4 The contracts will specify that landfill is avoided and levels of recycling treatment are to be maintained.

2. Financial Implications

2.1 It is anticipated that by awarding a contract for the disposal of additional local authority waste the Authority will be in a position to reduce its disposal costs when compared with those currently paid. This will enable KCC to meeting its saving targets within the MTFP and resist in year financial pressures

3. Policy Framework

3.1 The proposed decision is in line with the Kent Joint Municipal Waste Strategy (KJMWS), to which KCC is a signatory. The KJMWS commits all councils in Kent to work collaboratively in order to maximise recycling and reduce waste to landfill.

4. The Report

4.1 The EU landfill directive mandates Waste Disposal Authorities to minimise waste sent to landfill. This is fundamental to prevent or reduce as far as possible negative effects on the environment.

4.2 KCC as Waste Disposal Authority disposes of its waste in accordance with the waste hierarchy avoiding landfill and maximising recycling.

4.3 Residue black sack waste is processed under contract by KEL. The contract includes a minimum tonnage commitment of 325,000 tonnes. This minimal tonnage has now been met and has resulted in KEL serving contractual notice that this minimum tonnage of 325,000 tonnes must be guaranteed by KCC in future years. As stated above, KCC surpassed these minimum tonne

commitments last year by 29,000. This is defined as additional waste. Forecasts are that waste tonnage will continue to increase. It is therefore proposed that the disposal for additional waste is tendered and a contract awarded in order realise cost savings whilst continuing to avoid landfill.

- 4.4 Residual waste delivered to Allington accounts for this additional waste whilst co-mingled dry recyclate and food waste collected by Maidstone Borough Council is likely to remain stable at 20,000 tonnes.
- 4.5 A single supplier can be awarded each lot or both lots. Contract award will be based upon meeting mandatory and core technical requirements. Further to this qualifying quality criteria must be satisfied. The final award will be based upon gate fee price, though the final evaluation will also take into account whole life costs which include haulage and any tipping away payment for which KCC may be liable. There are no minimum tonnage guarantees proposed in the new contractual arrangements.
- 4.6 These contract(s) are anticipated to commence on 1 November 2016 and will continue for a period of, initially a 41 month term, followed by three separate extension periods of 40 months, subject to satisfactory performance. The end date of the contract(s) will be 31 March 2030 unless terminated in accordance with the Conditions of Contract on the Kent Business Portal.
- 4.7 An Equalities Impact Assessment has been completed. Initial and interim screening resulted in no protected characteristics that will be impacted upon either positively or negatively.

5. Conclusions

- 5.1 The proposal is to award two contracts for the disposal of additional local authority collected waste;

Lot 1 – additional residual waste
Lot 2 – reception and bulking of co-mingled dry recyclate
and food waste collected by Maidstone Borough Council

- 5.2 Minimal waste tonnages for local authority collected waste are increasing and have surpassed the volumes required by contract with KEL who generate energy from the Allington plant.
- 5.3 Surpassing these contractual guaranteed minimum tonnage commitments allows KCC to procure waste disposal service from alternative suppliers
- 5.4 KCC wishes to award contract(s) for the disposal of additional local authority waste to realise financial savings that contribute to the Medium Term Financial Plan

6. Recommendation:

The Cabinet Member is asked to agree to the award of two contract(s) for the disposal of additional local authority collected waste.

7. Contact details

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