

From: Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Susan Carey, Cabinet Member for Environment

Subject: **Approval to extend Organic Waste Processing Contracts SC1273 (Lots 3, 4, & 5)**

Decision No: 20/00052

Classification: Unrestricted

Electoral Division: All in East, Mid and West Kent

Summary: This report seeks the Cabinet Member's approval to extend the existing organic waste processing contracts of waste materials collected at the kerbside and through Household Waste Recycling Centres.

Recommendation:

The Cabinet Member for Environment is asked to agree to extend the current Organic Waste Processing contracts for up to six years and provide authority to the Director of Highways, Waste and Transport the delegated authority to enter into necessary contractual arrangements to let the contracts as shown at Appendix A.

1. Introduction

- 1.1 There is an existing Record of Decision (ROD), numbered 14/000/44 for the processing of green waste in Kent. Whilst, there is no delegation to extend the contracts under the existing ROD, there exists within the current contractual arrangements the option to extend the Initial Term in two phases: the first for a period of 48 months and the second for a period of 24 months.
- 1.2 This report provides information concerning the options to extend the current contracts that were awarded by KCC in 2014. There are three Lots that are due to be extended; the contracted service is to receive, handle and process household organic waste (specifically garden waste) deposited at the Household Waste Recycling Centres (HWRCs) and collected by the District Waste Collection Authorities.
- 1.3 The Contracts were awarded to:
 - SS1273 (Lot 3) – Green Waste arising in East Kent - Countrystyle Recycling Ltd
 - SS1273 (Lot 4) – Green Waste arising in Mid Kent - New Earth Solutions (Kent) Ltd
 - SS1273 (Lot 5) – Green waste arising in West Kent - New Earth Solutions (Kent) Ltd

- 1.4 The contract (Lot 3) with Countrystyle Recycling Limited already contains conditions for incorporating the processing of garden waste collected from the kerbside; this is additional volume to that currently received at Household Waste Recycling Centres, and, is in accordance with Regulation 72(1)(a) of the Public Contract Regulations 2015.
- 1.5 The extension of this contract will enable KCC to meet future demand by incorporating the processing of green waste collected from the kerbside by the Waste Collection Authorities in East Kent when the title of Waste transfers to KCC on 16 January 2021.
- 1.6 The extension for Lots 4 & 5 will be retrospective, as the initial term expired on the 1st April 2020, obtaining the mutual consent from New Earth Solutions to enter into the extension; the business continuity planning and operations around the Covid-19 pandemic has led to the delay of seeking this approval.

2. Financial Implications

- 2.1 Across both phases of the contract extensions, there is sufficient budget to fund the service.
- 2.2 KCC's Waste Management's budget for the current year (2019/2020) for the Organics contracts is £2,221,900.00. The costs for the two extensions are:
 - Phase 1 extension – 48 months = £8,407,431.00
 - Phase 2 extension – 24 months = £4,606,122.00
- 2.3 These are revenue-based expenditure contracts that are within existing budgets, however, there is an opportunity to realise savings by negotiating a reduction to the gate fee for green waste received in East Kent when the requirement to process both kerbside and HWRC green waste increases the volumes of green waste processed by Countrystyle Recycling Limited.
- 2.4 The Authority will satisfy itself that the existing gate fees compare favourably with market prices.

3. Legal Implications

- 3.1 Under the Environmental Protection Act 1990, the Waste Disposal Authority has a legal obligation to provide a waste disposal service. The original commissioning solution enabled the Authority to discharge its statutory duty as Waste Disposal Authority. KCC will be using Regulation 12 (Public Contracts between entities within the public sector) of the Public Contracts Regulations 2015 to extend these Contracts.

4. Policy Framework

- 4.1 The proposed decision meets the objectives of 'Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020) regarding the following outcomes:

- Kent Communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life.

4.2 The proposed decision also aligns to the Vision of the Kent Joint Municipal Waste Management Strategy (KJMWMS) 2018/19 to 2020/21, meeting the following outcomes:

- By 2020/21, the KRP will recycle and compost at least 50% of household waste tonnage.
- By 2020/21, the KRP will ensure no more than 2% of Kent's municipal waste ends at landfill.

5. Equalities Impact Assessment and Risk Assessment

5.1 The Equality Impact Assessment undertaken concluded that no Protected Characteristics will be impacted upon either positively or negatively as a result of these contract awards. This is predominately due to the contracts delivering a non-customer facing service.

6. Conclusions

6.1 Waste Management is currently being deployed in several complex, challenging commissioning activities. The current organic waste processing contracts are performing satisfactorily and therefore, as there are existing options in place within the current contracts, it is possible to invoke these to allow for the continuity of the statutory services. Waste Management will investigate the possibility of a reduced gate fee within the Countrystyle Recycling Contract due to increased tonnages from January 2021.

7. Recommendation:

The Cabinet Member for Environment is asked to agree to extend the current Organic Waste Processing contracts for up to six years and provide authority to the Director of Highways, Waste and Transport the delegated authority to enter into necessary contractual arrangements to let the contracts as shown at Appendix A.

8. Background Documents

Appendix A – Proposed Record of Decision
Appendix B - Equalities Impact Assessment Screening Report

9. Contact details

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