

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 waste metal

Key decision: 20/00129

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 metal disposed of at the Household Waste 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 contract for the receipt and processing of waste metal for up to 5 years, as shown at Appendix A.

1. Introduction

- 1.1 This report provides information concerning the option to commission and award a contract for waste metal disposed of at the Household Waste Recycling Centres (HWRCs)
- 1.2 KCC currently has interim arrangements for the receipt and processing of metal, however, KCC Waste Management is seeking a new contractual arrangement to manage this material.
- 1.3 Existing interim arrangements are in place, with local off-takers to manage the receipt and processing of the County's waste metal circa 4,000 tonnes.

2. Relevant History

- 2.1 Metal waste is accepted at the 18 HWRCs in Kent.
- 2.2 Metal from electricals, batteries, gas cannisters and aerosols are processed and treated separately as they are categorised as hazardous and require specialist off-takers.

- 2.3 All other metal is taken to an off-taker or collected from site and split into two categories – ferrous and non-ferrous.
- Ferrous metals are those that combine iron and carbon. Examples of ferrous metals include things like alloy steel, carbon steel, cast iron and wrought iron.
 - Non-ferrous metals include aluminum, copper, lead, tin, and zinc. Most of the more common precious metals are also classified as being non-ferrous. These include gold, iridium, palladium, platinum, and silver.
- 2.4 The metal is segregated and shredded into vital secondary raw material for the smelting of new metals, which in turn enables a significant reduction in use of energy and raw resources.
- 2.5 KCC Waste Management has recently resumed ownership of metal as a waste stream since the completion of the HWRC and Transfer Station (TS) contract in Mid and East Kent (Nov 2020), where the provider held title. In West Kent, non-contractual arrangements have historically been in place and KCC is seeking to amalgamate the tonnages into a consistent and county-wide provision to seek optimum value for money for KCC.
- 2.6 KCC is looking to commission an income contract of up to five years, but with an appropriate break clause to protect KCC's commercial interests.
- 2.7 It is planned that the contract will commence in August 2021 and will look to get best value from a market tracking payment mechanism based on [letsrecycle.com](https://www.letsrecycle.com) pricing (industry price indicator).
- 2.8 Waste Management is seeking local disposal arrangements, (where waste infrastructure allows) to reduce its carbon footprint in delivering these materials, and as such haulage rates will be considered as part of the tender evaluation.
- 2.9 Waste Management is committed to working towards the zero to landfill target, by continuing to divert approximately 4,000 tonnes of metal per year from landfill by using treatment and recycling facilities.

3. Options considered and dismissed

1. Do nothing – the current arrangements will continue; this is not an option as they are a short-term contingency only and best value would be secured from a competitively tendered contractual arrangement.
2. Discontinue accepting the metal waste at HWRCs - this is not an option due to KCC's obligation to take this waste as the Waste Disposal Authority.
3. Continue to accept the waste, but utilise alternative disposal options by using landfill - this is not an option as there is a priority to move this material up the waste hierarchy to meet landfill diversion targets and to achieve best value from an income contract. (A diagram of the waste hierarchy is at Appendix B).
4. **The recommended preferred option** - Undertake a commissioning activity to secure a provider/s who is able to treat and utilise the waste material meeting the circular economy priority outcomes and is both financially and environmentally beneficial for the Authority.

4. Financial Implications

- 4.1 There is currently an income revenue budget of £56,500 per annum based on one site receiving the metal.
- 4.2 The projected income takes into account the transfer of the title of metal to KCC and has a projected income of circa £1.9 million over the 5-year term of the contract for all metal received across the network of sites (18no.).
- 4.3 Haulage costs are accounted for within the Transfer Station contracts, although a collection contract may be considered as best value
- 4.4 The Metal price is market tracked and the income level can fluctuate.

5. Legal implications

- 5.1 There are no legal implications of the suggested action.

6. Equalities and Data Protection implications

- 6.1 The Equality Impact Assessment undertaken concluded that no Protected Characteristics will be impacted upon either positively or negatively because of this contract award. This is due to the contract delivering a business to business service.
- 6.2 No personal data will be collected for this contract due to the contract delivering a business to business service.

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

- 7.2 KCC Waste Management has recently resumed ownership of metal in Mid and East Kent (Nov 2020) and is due to resume ownership in West Kent from August 2021. KCC is seeking to amalgamate the tonnages into a consistent and county-wide provision to seek optimum value for money for KCC and enable the Authority to discharge its statutory duty as Waste Disposal Authority

9. Recommendation: 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 contract for the receipt and processing of waste metal for up to 5 years, as shown 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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