

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

To: Susan Carey, Cabinet Member for Environment

Subject: **Approval to extend the following contracts:**

West & Mid Kent Dry Recyclable Processing Contracts Lots 1 & 2 (SS15105)

Contract for the Processing of Wood Waste 2010 – 2015 (09/23).

Decision No: 20/00059

Classification: Part 1 Report – Unrestricted

Part 2 Appendix - Exempt as defined in Schedule 12A of the Local Government Act 1972

Electoral Division: Affects more than two Electoral Divisions: East, Mid and West Kent areas & expenditure exceeding £1m.

Summary:

This report seeks approval to extend for a 12-month period both the existing dry recycling processing contract for recyclate collected at the kerbside in West and Mid Kent and the Wood processing contract for wood disposed of at the Household Waste Recycling Centres.

Recommendation:

The Cabinet Member for Environment is asked to provide authority to the Corporate Director for Growth, Environment and Transport to extend the West and Mid Kent Dry Recyclables Processing Contracts Lots 1 & 2 and the Contract for the Processing of Wood waste 2010 – 2015 for 12-months.

1. Introduction

- 1.1 This report provides information concerning the option to extend the current dry recyclables contracts for West and Mid Kent as well as the Wood processing contract that were awarded in 2016 and 2010, respectively. Both Contracts had options to extend that have been invoked; the dry recyclables contract is due to expire 3rd July 2020 and the wood contract is due to expire 14th November 2020.
- 1.2 KCC Waste Management are looking to extend the following two contracts for further 12 month period under the Procurement Policy Note 01/20: Responding to COVID-19 which states that where there is an urgent requirement for goods, services or works due to or responding to the impact of COVID-19, procurement is permissible under Public Contract Regulations 2015 (PCRs) using regulation 32(2)(C). The contracted services are to receive, handle and process household dry recyclables collected kerbside by the Waste Collection Authorities and wood waste deposited at the Household Waste Recycling Centres (HWRCs).

1.3 The original Records of Decision, are due to end on cessation of the current Contracts. The Contracts were awarded to:

- Viridor Waste Management Ltd: West & Mid Kent Dry Recyclable Processing Contracts Lots 1 & 2. SS 15 105 that commenced 4th July 2016 and is due to end 3rd July 2020. The term of the extension will be to 3rd July 2021.
- Countrystyle Recycling Limited – Contract for the Processing and Recycling of Wood Waste 2010 – 2015 (2020) - 09/23 that commenced 15th November 2010 and is due to end 14th November 2020. The term of the extension will be to the 14th November 2021.

1.4 The extension of these contracts will enable the Authority to continue the current services for an interim period to meet the statutory obligations of the Disposal Authority, whilst allowing time to commence a full and comprehensive commissioning process.

1.5 Currently there is limited infrastructure available within Kent for the disposal of dry recyclate and wood and therefore regular market testing is carried out for new outlets or opportunities to obtain the best outcomes for Kent residents.

1.6 A Prior Identification Notice (PIN) was issued in February 2020, to ascertain market interest and availability to receive dry recyclable materials, this resulted in two responses. Bywater's facility in East London gate fee was priced at £119 per tonne, the existing contractor in Crayford, Kent is priced at £39 – this rate will continue to track market commodity rates. Obviously, to haul into East London would be a further unnecessary cost pressure.

2.0 Financial Implications

2.1 There is adequate budget, with current expenditure reflected in the current forecast to continue to fund the wood processing service and the Dry Recycling Contract budget

2.2 The Authority is satisfied that the proposed gate fees compare favourably with market prices and will continue to test market values over the limited term. The dry recycling rates track market, so we the Authority may see some savings if the market recovers.

3.0 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.

4.0 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.

5.0 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 are currently deployed in several complex, challenging commissioning activities and therefore the extensions will allow KCC Waste Management enough time to focus on the critical service needs during the COVID-19 pandemic, whilst ensuring secured service commitment.

6.2 Both contracts continue to offer KCC market value, as determined by the information obtained from the PIN for dry recyclables and price reduction for wood processing. Both contracts are let on a limited basis of one year whereupon fully commissioning will be undertaken.

6.3 Both Suppliers have proved to be reliable and compliant operating with the original contracts.

7. Recommendation(s):

The Cabinet Member for Environment is asked to provide authority to the Corporate Director for Growth, Environment and Transport to extend the West and Mid Kent Dry Recyclables Processing Contracts Lots 1 & 2 and the Contract for the Processing of Wood waste 2010 – 2015 for 12-months.

8. Background Documents

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

9. Contact details

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