
Report To: Safe, Sustainable Communities Committee

Date: 31/08/2010

**Report By: Corporate Director
Regeneration and Environment**

**Report No:
ECP/ENV/AB10.53**

Contact Officer: Kenny Lang

Contact No: Ext 5906

Subject: Waste Management Contract

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of the tender for the Council's Waste Management Contract

2.0 SUMMARY

2.1 The current waste management contract expires in October 2010 however there is an option to extend this contract for a period of up to 2 years.

2.2 The Material Recycling Facility Contract is also due for renewal. Scottish Government targets published in the Zero Waste Plan will influence the future delivery of waste management contracts.

2.3 It is considered that the Council should prepare an output based specification to enable Inverclyde Council to meet the targets set by the Scottish Government, this contract to be for a period of 3 years with a maximum extension of 2 years.

2.4 In preparing a contract for the medium term, this will allow the Council's future waste contracts to align with those of neighbouring authorities with a view to developing long term partnership and joint working proposals for residual and recycling materials.

3.0 RECOMMENDATIONS

3.1 That the existing contracts for Residual Waste and the MRF be extended until 31st March 2011 and that a specification be prepared and tenders invited for :

- The treatment of residual waste to meet the Scottish Government's targets
- The management and processing of the recycling materials currently collected
- That options be invited for any variant bids which may benefit the Council in meeting its targets

3.2 That successful tenders be awarded and the successful contractor(s) be notified of contract commencement on 1st April 2011 for a period of 3 years with the option of two separate one year extensions.

Alan G Barnes
Head of Environmental and Commercial Services

4.0 BACKGROUND

- 4.1 Inverclyde Council have a contract in place for the haulage and disposal at landfill of the Council's residual waste with Barr Environmental Ltd. This contract was let for the period 1 October 2005 until 30 September 2010. There is an option to extend this contract for up to 24 months until 30 September 2012.
- 4.2 The Council also have a separate contract in place for the management and operation of the Materials Recycling Facility (MRF) at Ingleston Park.
- 4.3 The recently published Zero Waste Plan now places an onus on Local Authorities to meet targets for recycling , composting and preparing for re-use. A summary of the targets is included in Appendix 1.

5.0 PROPOSED WASTE MANAGEMENT CONTRACT

- 5.1 It is proposed that a contract be prepared based on an output specification for the treatment of residual waste which will meet the Scottish Government's two key recycling targets of a 40% recycling rate by 2010/11 and 50% recycling rate to be achieved by 2013/14. It is also proposed:
- 5.2 That the MRF contract also be included within the specification as a separate lot.
- 5.3 That variant bids be invited which may be of benefit to the Council in terms of meeting the targets and costs.
- 5.4 That the contract(s) for the operations be let for a period of 3 years with the option of 2 one year extensions commencing 1st April 2011. The table below shows the anticipated timeline for the procurement project.

Contract Programme	
September 2010	Advertise in OJEU
November 2010	Tender Release
December 2010	Tender Submissions Returned
January 2011	Tender Evaluation
8th March 2011	Report to Committee and tender awarded
1 st April 2011	Operations Commence

- 5.5 The medium term option will allow the Council to explore joint opportunities with neighbouring authorities to identify larger scale facilities which may benefit the Council in terms of economies of scale. The phasing of neighbouring authorities current waste management contracts will mean that respective end dates for existing contracts are more closely aligned in future.

6.0 FINANCIAL IMPLICATIONS

- 6.1 It is not possible to identify the future cost of a residual waste recycling contract prior to the completion of the tendering exercise. The current waste disposal charge is £20.53 and landfill tax is £48.00 per tonne. Landfill tax will rise to £56.00 in April 2011 and increase by £8 per tonne annually until 2014 where it will be £80 per tonne.

7.0 CONSULTATION

- 7.1 Consultation on this report has been held with Finance Services.

APPENDIX 1 – ZERO WASTE PLAN TARGETS

Target/Cap	Year	Derivation
40% recycling/composting and preparing for re-use of waste from households. ¹¹	2010	Scottish Government target.
No more than 2.7 million tonnes of biodegradable municipal waste to be sent to landfill. ¹²	2010	Article 5(2) of the EU Landfill Directive. ¹³
50% recycling/composting and preparing for re-use of waste from households. ¹⁰	2013	Scottish Government target.
The preparing for re-use and the recycling of 50% by weight of waste materials such as paper, metal, plastic and glass from household waste and similar.	2020	Article 11(2)a of the EU Waste Framework Directive. ⁵
No more than 1.8 million tonnes of biodegradable municipal waste to be sent to landfill. ²	2013	Article 5(2) of the EU Landfill Directive. ³
60% recycling/composting and preparing for re-use of waste from households. ¹⁰	2020	Scottish Government target.
No more than 1.26 million tonnes of biodegradable municipal waste to be sent to landfill. ²	2020	Article 5(2) of the EU Landfill Directive. ³
70% recycling and preparing for re-use of construction and demolition waste. ¹⁰	2020	Article 11(2)(b) of the revised EU Waste Framework Directive. ¹⁴
No more than 5% of all waste to go to landfill.	2025	Scottish Government target
70% recycling/composting and preparing for re-use of all waste by 2025.	2025	Scottish Government target.