

Forward Plan reference number: N/A

Report title: Integrated Waste Handling Contract Service Delivery - Purchase of Containers	
Report to: Mark Ash – Executive Director of Climate, Environment and Customer Services	
Report author: Samantha Kennedy – Director for Environment and Climate Action	
Date: July 2023	For: Decision
Enquiries to: Simon Moore, Head of Waste Simon.Moore@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 This report is to seek approval to purchase new containers to ensure the continuity and safe operations of services at Recycling Centres for Household Waste ("RCHW"). After 12 months of operating the service, since the transfer from Veolia in April 2022, we have identified that a significant number of containers are in an unsafe condition and beyond economical repair.
- 1.2 The purchase of these containers is linked to a number of commitments within our new strategy Everyone's Essex, specifically the strategic aim of a high-quality environment, along with our commitments on Net Zero, as well as the Essex Vision aim to develop our county sustainably. The new containers will ensure the continuation of recycling services to residents at RCHWs and will keep centres operating efficiently, supporting the Essex Climate Action Commission's Net Zero targets.
- 1.3 This report sets out the requirements for the containers to replace the assets that were transferred from Veolia.

2. Recommendations

- 2.1 To agree that ECC will go out to the market to procure a contractor to supply 100 new containers using the open procurement procedure at an estimated cost of £602,000.
- 2.2 To agree the proposed evaluation criteria of 85% price and 15% quality. Approval from Head of Procurement has been obtained to exclude social value from this procurement exercise. The justification for this is due to the requirement being for supply only and therefore social value not being considered appropriate.

3. Summary of issue

- 3.1 Essex County Council (“ECC”), as Waste Disposal Authority (“WDA”) for Essex, must provide RCHW services and ensure that suitable arrangements are in place to treat and dispose of all Local Authority Collected Waste (“LACW”). Such waste arises from the kerbside waste collections undertaken by the Essex Waste Collection Authorities (“WCAs”) and from the RCHW.
- 3.2 Cabinet decision FP/803/09/20 on 24 November 2020 approved that after the expiry of the Integrated Waste Handling Contract on 31 March 2022, the Council would assume responsibility for operating RCHW and Waste Transfer Stations (“WTSS”) using a Hybrid Sourcing Model. This included the direct delivery of the service by ECC, whilst haulage, plant and equipment and the marketing of materials would be procured for delivery by contractors.
- 3.3 On 1st April 2022 approximately 450 containers were transferred from Veolia back to ECC. These containers are used to collect recyclables, residual waste and green waste for onward transport to the reprocessing/disposal facilities. As the containers received were in poor condition ECC received a negotiated financial settlement to replace and repair the assets. Approximately 100 of these containers have now been taken out of service as they are deemed unsafe to operate and beyond economical repair.
- 3.4 Prior to transfer ECC procured a materials marketing service to manage the recyclable materials to ensure that the majority of waste streams collected at the sites are managed to maximise reuse, recycling and recovery to avoid disposal to the greatest extent possible. The contract requires that re-processors receive certain recyclables delivered by ECC, therefore there is a need for 100 new containers to ensure that there is sufficient capacity for the receipt and transport of these materials.
- 3.5 The service is already experiencing operational difficulties due to a lack of container capacity. Without these replacement containers ECC would only have limited availability within the remaining container fleet, not purchasing these new containers would lead to significant capacity issues at the RCHW. This would result in increased diversion to landfill, unavailability of recycling streams and RCHW closures until sufficient capacity is restored by haulage operations.

4 Options

Option 1 – Purchase new containers

- 4.1 This option would involve undertaking a single stage procurement process using the open procurement procedure to appoint a contractor to supply new containers for recyclables and other waste streams collected at the RCHW.
- 4.2 The approach will enable ECC to achieve its strategic objectives to meet statutory and local obligations by maximising the recycling and/reuse of municipal waste collected at the RCHW.

- 4.3 The proposed contract length would be for period of 4 months with no extension provisions.
- 4.4 The purchase of new containers using an open procurement procedure is recommended. This approach would still allow for competition to take place and deliver value for money for ECC.
- 4.5 The timescales surrounding delivery of the new containers are critical to the safe operation of the service. This route provides a competitive and compliant procurement route which will drive value for money, whilst ensuring that the procurement timescales are minimised.
- 4.6 The old containers that are taken out of service will be sold for the highest scrap value possible. The sales revenue is not considered material in value however any income will be applied to the service budgets.

Option 2 – Do Nothing (not recommended)

- 4.7 Not purchasing the containers would result in lack of capacity to manage the reception of recyclable materials at the RCHW and this would result in increased diversion to landfill, unavailability of recycling streams and RCHW closures until sufficient capacity is restored by haulage operations. There is also an increased risk of a major health and safety incident if old and damaged containers are used within the service.

5. Links to Essex Vision [*Cabinet Member Decisions/Cabinet reports only*]

- 5.1 This report links to the following aims in the Essex Vision

- Develop our County sustainably

- 5.2 This links to the following strategic aims in the Organisational Plan:

- Help create great places to grow up, live and work

- 5.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A high-quality environment

6 Issues for consideration

6.1 Financial implications

- 6.1.1 The estimated revenue cost of the preferred option of purchasing 100 containers is £602,000. This is based on one quote received. This will be funded from the RCHW 2023/24 budget which includes an allocation of £157,500 for container replacement and the residual balance (£444,500) will be funded from the negotiated settlement with Veolia following contract expiry.
- 6.1.2 The negotiated settlement value of £628,000 was transferred to the Waste Reserve at the end of 2022/23. £628,000 was approved to be drawn down from the Waste Reserve in the 2022/23 provisional outturn report and will be added to the Climate Czar, Environment, Waste Reduction and Recycling portfolio 2023/24 budget. This will be partially used to fund the container purchase leaving a balance of £183,500 to contain any increase in cost when the tender is concluded.
- 6.1.3 Any scrap value secured from the sale of the containers on the open market will be applied to service budgets.
- 6.1.4 The useful economic life of a container is forecast to be 8 – 10 years dependent on use and maintenance through the period of ownership. An annual allowance of £157,500 for container maintenance is included in the RCHW 2023/24 budget and Medium Term Resource Strategy (MTRS).

6.2 Legal implications

This EDD is compliant with the Public Contracts Regulations 2015 and does not require formal Monitoring Officer approval.

7 Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular

characteristic. *(Describe the specific equality and diversity implications of the proposal, any adverse findings from the equality impact assessment and your proposed mitigation measures)*

8 List of appendices

Appendix A – EqIA

9 List of Background papers

None declared

I approve the above recommendations set out above for the reasons set out in the report.	Date
Mark Ash – Executive Director of Climate, Environment and Customer Services	08.08.23

In consultation with:

Role	Date
Councillor Peter Schwier, Climate Czar and Cabinet Member for Environment, Waste Reduction and Recycling	
Executive Director, Corporate Services (S151 Officer) Karen Williams on behalf of Nicole Wood	27.07.23