

## Members' Library Service Request Form

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Originator	Sarah Oliver
Originator's Ref (if any)	
Document Title	Waste Services - Kerbside Multi Material Contract Extension

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Additional information:

Authorised By	Thomas Reid
Designation	Head of Infrastructure
Date	17/03/20

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**REPORT TO:** Member's Library Service

**MEETING DATE:**

**BY:** Head of Infrastructure

**SUBJECT:** Extension of Multi Material Recycling Contract

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## **1 PURPOSE**

1.1 To inform Members of the decision to extend the Multi Material Kerbside Recycling Contract by a further six months and the budget implications created by this decision.

## **2 RECOMMENDATIONS**

2.1 Members are asked to note the content of this report.

## **3 BACKGROUND**

3.1 East Lothian Council has a statutory obligation to provide all householders with a separate collection service for dry recyclables (paper, card, plastic, metal and glass) and all properties in non rural areas with a separate collection service for food waste.

3.2 The recycling collection services for East Lothian Council have been contracted out to the private sector since late 2005 with the current collection Contract awarded in 2010 for a period of seven years. This Contract expired in October 2017 and was extended by mutual agreement to 2020 through a Voluntary Ex-Ante Transparency (VEAT) Notice dispatched to OJEU for publication. The Council received no objections to the decision to extend and the Contract was extended until 2020.

3.3 East Lothian became signatories to the Scottish Government's Household Waste Charter in December 2016, with plans to move to a Charter aligned collection model by 2020. Detailed modelling work was undertaken and plans to introduce a weekly single pass collection for, separated glass, cans and plastics, paper and card, and food waste, were developed, however the subsequent announcement of plans by the Scottish Government to introduce a deposit return system had placed this on hold until the exact scope of the system in terms of the materials to be targeted had been announced.

3.4 Due to this substantial change to national policy and the significant uncertainty created further delays to the procurement of a new Contract have been required to allow for additional modelling work to be carried out as such

East Lothian Council have published a second Voluntary Ex-Ante Transparency (VEAT) Notice to further extend the Contract by six months. This has been published and gone unchallenged.

#### **4 POLICY IMPLICATIONS**

4.1 East Lothian Council will issue a PIN notice in due course to indicate our intention to return to market to procure services for the kerbside collection of multi materials. However in order to allow for a full and comprehensive procurement process and enable the transition of services without disruption to the residents within East Lothian it is considered necessary to extend existing arrangements for a period of six months to March 2021.

4.2 The extension allows for the continuity of statutory service provision and this approach is considered to be the most appropriate solution delivering best value while meeting the necessary requirements of the Public Contracts (Scotland) Regulations 2015.

#### **5 EQUALITIES IMPACT ASSESSMENT**

5.1 This report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

#### **6 RESOURCE IMPLICATIONS**

6.1 Financial –

The current extension is operated on a split payment mechanism, with a variable rate of £85.41 per tonne of dry mixed recycling collected in 2019/20 and a fixed rate of £1,608.46 per calendar day for the food waste collected in 2019/20, giving an expected total cost of £1,227,229.62 in 2019/20.

There will be an indexation to be applied on the 2019/20 Contract prices from the 1<sup>st</sup> April 2020, based on the previous 12 months RPI. Giving an expected spend, based on current knows, for the first six months of 2020/21 of approximately £630,000.00.

The current Service Provider has extended an offer to continue the current services for £857,950.00 as a fixed price for all services, for the six month extension, bringing the expected total annual cost to £1,487,950.00, an additional cost of £159,950.00 over the 2020/21 budget of £1,328,000.00.

Their proposal is that the Council will retain ownership of all materials and any associated cost related to receipt, haulage and processing placing all risk on the Council for the sale of the materials. Currently material sales risk is shared 50:50. It is anticipated that this will at current market prices have an additional cost burden of £5,000.00.

This shortfall will need to be addressed through strict financial management within Waste Services and the wider Infrastructure budgets.

Personnel – None

Other – None

## 7 BACKGROUND PAPERS

### 7.1 VEAT Notice

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