

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Executive Director of Housing, Environmental and Economical Development**

**Tendering Committee: 16 February 2011**

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**Subject: Tender for organic waste reprocessing**

#### **1. Purpose**

- 1.1** To advise the Committee of the tender process and note of award for the most economically advantageous tender submitted for the reprocessing of organic waste. Glasgow City Council has acted as the Lead Authority for the tender for services for recycling of organic waste on behalf of the Authorities within the Glasgow and Clyde Valley Waste Strategy Group and Argyll and Bute Waste Strategy Group.

#### **2. Background**

- 2.1** The Scottish Executive developed a National Waste Plan which introduced a recycling target of 30% by 2008 which has recently been supplemented by the new Scottish Governments Zero Waste Policy. West Dunbartonshire Council must now recycle 50% of our household waste by 2013, 60% by 2020 and 70% of all waste by 2025 through enhanced kerbside collections and maximising and optimising recycling in every area of its waste management.
- 2.2** In 2006 West Dunbartonshire Council worked with partners within the Glasgow and Clyde Valley Waste Strategy Group to tender for the reprocessing of organic waste collected via the Council brown bin collections services and associated Greenspace services.
- 2.3** The current provider sorts the Councils organic waste and reprocesses through various treatment technologies such as In Vessel Composting (IVC) and Aerobic Digestion (AD). The Council have increased the frequency of collection and added more material to the brown bin collection service in an effort to make recycling easier for residents to recycle more.
- 2.4** The tender specification was for the reprocessing of Organic Green, Food, Wood and MDF waste in different lots for Glasgow City Council, West Dunbartonshire, Argyll & Bute, Inverclyde and Renfrewshire Councils.
- 2.5** The tender issued included requirements for West Dunbartonshire Council and Argyll & Bute Council as a specific lot.

- 2.6** Adverts inviting tenders were placed in Official Journal European Union (OJEU), Public Contracts Scotland the Scottish Governments web portal for publishing contract opportunities [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk) and in the Herald newspaper in 2010. The process received interest from 16 companies.

### **3. Main Issues**

- 3.1** On the closing date, valid tender returns were received from 2 companies for lot 2 which West Dunbartonshire Council were included in: Scottish Water Horizon Ltd and William Tracey Ltd which were evaluated.
- 3.2** The evaluation team comprised of staff from Councils within Glasgow and Clyde Valley Waste Strategy Group and Argyll and Bute Waste Strategy Group.

The tenders were comprehensively evaluated using the following criteria:

1. Financial - 80%
2. Quality - 20%

The summarised tender matrix is attached for information at Appendix 1.

- 3.3** For noting during the contract period the Council will be paying over £70 per tonne for each tonne of waste it landfills in 2011, rising to over £90 per tonne in 2014. In terms of the organic waste contracts the Council currently pays a reprocessing gate fee of over £50 per tonne for mixed organic waste (food/garden) and around £24 per tonne for garden waste alone.
- 3.4** Within the tender return the preferred tenderer for lot 2 offered the Council a framework of gate fees for each material, which allows for any change in service provision which may happen in future years. The gate fee for mixed organic waste is reduced to £42.20 per tonne and for garden waste alone is reduced to £19 per tonne.
- 3.5** The exact savings which can be drawn from this process vary due to the mix of the waste and are dependant on the performance of the Alternate Weekly Collection (food and garden waste service), Internal Waste Recycling (food recycling) services, as well as Greenspace continued service provision but current year budget provision is projected to provide a saving of £40,000 in year 2011/12.
- 3.6** The tender details that the contract period should be up to 31<sup>st</sup> March 2014 with the option to extend for a further one period of 12 month.

#### **4. People Implications**

**4.1** None.

#### **5. Financial Implications**

**5.1** The revenue cost for landfilling and reprocessing of waste sits within the existing Fleet and Waste Services budgets.

#### **6. Risk Analysis**

**6.1** Failure to use this joint authority tender process would require the Council to carry out a bespoke tender exercise which through disaggregation of the joint volumes could return a less competitive cost for the service.

**6.2** Failure to award this contract is regarded as a contributory risk to meeting the Zero Waste Plan targets and the Councils Single Outcome Agreement with the Scottish Government.

#### **7. Equalities Impact**

**7.1** No significant issues were identified in a screening for potential equality impact of the tendering proposals.

#### **8. Conclusions and Recommendations**

**8.1** A tendering exercise has provided a competitive and transparent option for the provision of this service requirement.

**8.2** The tendering process and evaluation methodology has successfully identified a contractor which can supply this service at a reduced cost.

**8.3** The Committee is invited to note the approval of the award of this contract to Scottish Water Horizon Ltd as the most economically advantageous tender.

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economical Development**

**Date: 9 February 2011**

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**Appendix:** 1 - Tender Matrix

**Background Paper:** None

**Wards Affected:** All