

WEST DUNBARTONSHIRE COUNCIL

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

Tendering Committee: 16 February 2011

Subject: Tender for dry recyclate reprocessing

1. Purpose

- 1.1** To advise the Committee of tenders received and to seek approval to procure the services of the most economically advantageous tender submitted for the reprocessing of dry recyclate. Dry recyclate is the term used for the blue bin kerbside collected waste which now includes cardboard, newspapers, all plastic containers, tetra-pak and food/drinks cans.

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 2005, Members approved a tendering exercise for the reprocessing of dry recyclate collected via the Council blue bin collections services.
- 2.3** The current provider sorts the Councils dry recyclate at a Material Recycling Facility into its constituent parts (cardboard, plastic, metals and papers) prior to passing the material into the global markets for reuse. The Council have since added more material to the blue bin in an effort to make recycling easier for residents. There is scope within the current tender specification for the Council to add further materials should it be environmentally, economically and technically appropriate.
- 2.4** Adverts inviting tenders were placed in Official Journal European Union (OJEU) and Public Contracts Scotland the Scottish Governments web portal for publishing contract opportunities www.publiccontractsscotland.gov.uk. Tender packs were issued to 15 companies which noted their interest to the contract notice.

3. Main Issues

3.1 On the closing date, valid tender returns were received from 3 companies noted as follows.

- a) The William Tracey Group, Recycling & Resource Management Group, 49 Burnbrae Road, Linwood, Renfrewshire, PA3 3BD.
- b) Re-Gen Waste Ltd, Carnbane Industrial Estate, Newry, Co. Down, N.Ireland, BT35 6JQ
- c) Greenlight Environmental Ltd, Block 4&5, Lomond Industrial Estate, Alexandria, West Dunbartonshire G83 0TL

3.2 The tenders were comprehensively evaluated using the following criteria:

- 1. Financial - 60%
- 2. Service - 25%
- 3. Quality - 15%

Appendix 1 details summary of scores of the 3 bids.

3.3 The tender is designed in such a way as to provide the Council with income as a rebate when global markets are buoyant whilst providing a reasonable base gate fee which reduces the cost of dealing with this type of resource as opposed to landfilling.

3.4 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 dry recyclate the Council currently pay a reprocessing gate fee of over £30 per tonne.

3.5 The preferred tenderer has returned a gate fee which is fixed for the duration of the contract which is beneficial or no cost to the Council and the Council will receive an income based on the recyclate resale market, when markets are buoyant.

3.6 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 and Internal Waste Recycling services but current year budget provision is projected to be in the region of £130,000.

3.7 The evaluation team comprised staff from the Corporate Procurement Unit and from Housing, Environmental and Economical Development.

- 3.8** The tender details that the contract period are anticipated from April 2011 to 31st March 2014 with the option to extend for a further two periods of 12 months each.

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 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.

- 6.2** If the contract is not approved, the existing supplier will be able to reprocess the Councils dry recycle however current rates will be more expensive and may vary as a result of market fluctuations as the Council would then be subject to a 'walk in rate' rather than contracted rate. Having a contract in place enables rates to be held firm allowing council to budget more accurately.

- 6.3** This would also ensure compliance with EU Public Procurement regulations.

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 on a no cost basis.

- 8.3** The Committee is invited to approve the award of this contract to The William Tracey Group as the most economically advantageous tender.

- 8.4** Any extension of this contract will be the subject of a future report to the Housing, Environmental and Economical Development committee

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Date: 9 February 2011

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Appendix: Bids

Background Paper: None

Wards Affected: All