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**To:** Finance, Resources and Customer Services Policy Board

**On:** 2 February 2022

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**Report by:** Report by the Chief Executive and the Director of Environment and Infrastructure

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**Heading:** Contract Authorisation Report for Processing & Recycling of Mixed Paper and Card (RC-CPU-21-132)

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## 1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a Services Contract for Processing & Recycling of Mixed Paper and Card (RC-CPU-21-132) to Enva Scotland Limited.
  - 1.2 The recommendation to award this Contract follows a mini competition made under the Scotland Excel Treatment and Disposal of Recyclable and Residual Waste Dynamic Purchasing System Framework (schedule 27/17), Lot 2 Processing of Paper, Cardboard, News & PAMS (separate and/or mixed).
  - 1.3 A Contract Strategy was approved by the Director of Environment and Infrastructure and the Strategic Commercial and Procurement Manager in October 2021.
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## 2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
- 2.1.1 Authorise the Head of Corporate Governance to award a contract for Processing & Recycling of Mixed Paper and Card (RC-CPU-21-132) to Enva Scotland Limited;
  - 2.1.2 Authorise the initial period of contract of one (1) year with the option to extend on two (2) separate occasions each for a period of twelve (12) months. The contract is anticipated to commence on the 1 April 2022. In the event that the Contract does not commence on 1 April 2022, the Contract period shall run from the actual date of commencement as stated in the Letter of Acceptance. Under the terms of this Contract the Council shall have the option to exercise a break clause and terminate the Contract every (6) months from commencement without penalty or compensation payable to the Service Provider where the Council identifies such a proposed contract rate does not represent best value and does not match the emerging market conditions associated with mixed paper, card and cardboard;
  - 2.1.3 Authorise the total Contract value of up to £1,725,600.00 excluding VAT.
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### **3. Background**

- 3.1 The Council has a requirement for the Processing & Recycling of Mixed Paper and Card. The Council's Waste Services currently collect approximately 7,190 tonnes per 12 months of Mixed Paper and Card from households, commercial premise and recycling centres. As part of this contract Council Refuse Collection Vehicles will deliver this material to the Service Provider's treatment site or designated reception point.
- 3.2 Under the terms of this Contract the Council shall have the option to exercise a break clause and terminate the Contract every (6) months from commencement of the Contract. The purpose of these (6) monthly review breaks is for both the Council and the Service Provider to monitor the commodity market associated with mixed paper and card with a view to understanding and reacting to market changes and to agree the level of the Gate Fee to reflect the anticipated price achievable by the Service Provider when the Target Waste is sold. Any subsequent price amendments agreed will then be subject in due course to the same process of review during the period of the Contract.

- 3.3 This procurement exercise has been tendered as a mini competition under the Scotland Excel Treatment and Disposal of Recyclable and Residual Waste Dynamic Purchasing System Framework (schedule 27/17 lot 2 Processing of Paper, Cardboard, News & PAMS (separate and/or mixed).
- 3.4 Lot 2 of the Scotland Excel Treatment and Disposal of Recyclable and Residual Waste Dynamic Purchasing System Framework has thirty-two (32) Suppliers currently registered on the Public Contract Scotland Tender platform. All thirty-two (32) Suppliers were invited to participate in the mini competition issued on 17<sup>th</sup> November 2021. In accordance with the terms of the DPS the Council could use the Call off Terms prepared by Scotland Excel or could use Council terms for the mini-competition. The Council chose to use the Council's General Conditions of Contract for Services – Waste and Operation Terms and Conditions for this mini-competition which also uses the term Service Provider rather than Supplier
- 3.5 By closing date set for return of electronic tenders of 12noon on 6<sup>th</sup> December 2021, two (2) Suppliers submitted a Tender Submission with thirty Suppliers (30) failing to provide a response.
- 3.6 Both Suppliers completed the European Single Procurement Document (ESPD) when applying for a place on the Scotland Excel Dynamic Purchasing System. Both Suppliers also confirmed within their tender submission that none of the exclusion criteria as detailed within Regulation 58 of The Public Contracts (Scotland) Regulations 2015 apply to them.
- 3.7 The Tender Submissions received were evaluated against the set award criteria on a combined weighting of 30% Quality and 70% Price. The scores relative to the Award Criteria are as follows:

		<b>Quality (30%)</b>	<b>Price (70%)</b>	<b>Total (100%)</b>
1	Enva Scotland Limited	28.25%	70.00%	<b>98.25%</b>
2	Regen Waste Limited	26.13%	39.72%	<b>65.85%</b>

- 3.8 The evaluation of tender submission received identified that the submission by Enva Scotland Limited was the most economically advantageous tender.
- 3.9 Community Benefits were requested as part of the procurement process and Enva Scotland Limited have committed to the following Community Benefits.

<b>Community Benefit Description</b>	<b>No of People / Activity</b>
Job for an unemployed individual for a minimum of 26 weeks at least 30 hours per week.	1
Work Experience Placement for an individual 16+ years of age between 5 days and 4 weeks	1
Business advice/support to an SME /Social Enterprise/ Voluntary organisation	1

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## **Implications of the Report**

### **1. Financial**

The costs under this contract will be met from existing waste disposal revenue budgets.

### **2. HR & Organisational Development**

Not applicable.

### **3. Community/Council Planning –**

Creating a sustainable Renfrewshire for all to enjoy - the work proposed will support the delivery of this outcome

### **4. Legal**

The procurement of this contract was carried out in accordance with the Scotland Excel Processing & Disposal of Recycle & Residual Waste Dynamic Purchasing System Framework and the Council's Standing Orders Relating to Contracts.

### **5. Information Technology**

No Information Technology implications have been identified or are anticipated.

### **6. Property/Assets**

None

### **7. Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

### **8. Health & Safety**

Enva Scotland Limited Health and Safety submission was evaluated by the Council's Corporate Health and Safety team and meet the minimum requirements regarding health and safety.

9. **Procurement**

The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

10. **Risk**

Enva Scotland Limited insurances have been assessed and evaluated to confirm they meet the minimum requirements regarding insurable risk.

11. **Privacy Impact**

No Privacy Impact implications have been identified or are anticipated.

12. **Cosla Policy Position**

No Cosla Policy implications have arisen or anticipated.

13. **Climate Risk**

The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and this contract will strive towards the Scottish Government's aims and objectives for a Zero Waste Scotland.

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**List of Background Papers**

None

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