

**To: Procurement Sub Committee**

**On: 16 March 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive & Director of Community Resources**

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## **CONTRACT AUTHORISATION REPORT – TREATMENT OF CO-MINGLED DRY RECYCLATES**

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### **1. Summary**

- 1.1 The purpose of this paper is to request authorisation from the Procurement Sub Committee to award a contract to Regen Waste Ltd for the Treatment of Co-Mingled Dry Recyclates (blue bin waste) from 15 June 2016 to 14 June 2017 with the Council reserving the option to extend for up to 12 months.
- 1.2 The contract will be awarded under the following Lot as detailed within the Scotland Excel Framework for the Treatment of Recyclable and Residual Waste:
  - Lot 8, Model B:- Treatment of Co-Mingled Dry Recyclable Waste (Mixed Papers, News & PAMs, Cardboard, Plastic Bottles, Plastic Containers, Plastic Film, Beverage Cartons, Cans and similar metal and Glass)
- 1.3 A contract strategy document for the Treatment of Co-Mingled Dry Recyclable Waste was signed in March 2016 by the Strategic Commercial & Procurement Manager and Director of Community Resources.

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## **2. Recommendations**

It is recommended that the Procurement Sub-Committee Authorise:

- 2.1 The Head of Corporate Governance to award a contract to Regen Waste Ltd for the Treatment of Co-Mingled Dry Recyclable Waste under Lot 8, Model B of the Scotland Excel Framework Agreement for the Treatment of Recyclable and Residual Waste (Contract Schedule Number 14-13):
- 2.2 The spend on this contract will be up to £3,110,000 excluding VAT, if the option to extend is utilised.
- 2.3 The contract to commence on 15 June 2016 to 14 June 2017 with the Council reserving the option to extend for up to 12 months.

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## **3. Background**

- 3.1 Scotland Excel established a framework agreement for the Treatment of Recyclable and Residual Waste in July 2014. The framework offers a suite of compliant treatment options for a host of waste materials commonly collected by councils via their existing individual collection services, including metals, cans, glass, paper, textiles, plastics and wood. Furthermore, options are included for the treatment and disposal of the material remaining when all other possible reusable or recyclable material has been removed, commonly referred to as “residual” waste.
- 3.2 There are a number of operating factors which have impacted on the recyclable waste market as a whole. The reduction in commodity resale and the quality of items such as glass, metals and plastic has meant that materials recycling facilities have to charge more to process materials.
- 3.3 The procurement process undertaken to establish the Framework Agreement was the open tender procedure and was conducted in compliance with the EU Procurement Legislation.
- 3.4 An evaluation of offers was undertaken by Scotland Excel and a User Intelligence Group, which included representation from the Council. Thirty five suppliers were awarded onto the framework agreement across the twenty three lots.
- 3.5 The Scotland Excel Framework Agreement for Treatment of Recyclable and Residual Waste provides the facility to make direct award of contract to a supplier where best value can be demonstrated. The Council considered the current Framework Agreement rates and analysis carried out by the Council demonstrated that best value will be achieved by entering into a contract with Regen Waste Ltd prior to 1 April 2016 with the service to start from 15 June

2016. This approach is in the interest of the Council and will ensure the Council secures this competitive rate which is available for a very short period of time at a price considerably lower than normal market prices.

- 3.6 The Council's spend on this contract until 14 June 2018 is up to £3,110,000 excluding VAT however the actual spend will vary depending on the actual tonnage collected and the levels of contamination. The pricing under this contract will remain fixed until 14 June 2017 with the Council conducting a best value analysis prior to entering into any contract extension.
- 3.7 Regen Waste Ltd have committed to delivery of the following community benefits:
- Support local employment by sub contracting the handling and transportation of the Co-Mingled Dry Recyclable Waste to a local Renfrewshire company.
  - Provide financial support towards an intern's salary.
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## **Implications of the Report**

1. **Financial** – Financial costs will be met from existing Council resources for each financial year.

The financial status of Regen Waste Ltd was assessed, and satisfied the Council's requirements.

2. **HR & Organisational Development** – None

3. **Community Planning** – Regen Waste Ltd has committed to delivery of community benefits as outlined in Section 3.6 of the report.

4. **Legal** – The procurement exercise has been carried out in compliance with Council Standing Orders relating to Contracts and Framework Agreement requirements.

5. **Property Assets** - None.

6. **Information Technology** – None.

7. **Equality & Human Rights** – Regen Waste Ltd Equality & Human Rights has been assessed under the Scotland Excel Framework Agreement for the Treatment of Recyclable & Residual Waste and have confirmed their compliance with their statutory obligations in respect of Equality and Human Rights.

8. **Health & Safety** – Regen Waste Ltd Health & Safety has been assessed under the Scotland Excel Framework Agreement for the Treatment of Recyclable &

Residual Waste to ensure that they met the minimum requirements regarding Health & Safety.

9. **Procurement** – The procurement procedure outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and Modern Government.

10. **Risk** – None

11. **Privacy Impact** – Not Applicable

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**List of background papers** – Not Applicable

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