

# APPENDIX A - BRIEFING REPORT

## WASTE WOOD COLLECTION AND RECYCLING



### 1. EXECUTIVE SUMMARY

Waste wood is collected separately from a number of sources and delivered to Chelson Meadow refuse transfer station. Here the wood is bulked and transported to a third party processing site for recycling.

The previous contract for processing waste wood has expired and there is currently no formal agreement in place to recycle this material.

The proposal is to secure a contract to collect and recycle waste wood arising from PCC's activities for a period of 5 years by way of a competitive tender process

The value of the contract is estimated at £381,000 per year for 5 years based on current costs to deliver this service. This cost is funded from the revenue budget.

The alternative option is to dispose of this material with the general waste at a much higher cost estimated at an additional £346,000 per year.

It is recommended that approval be given to undertake the procurement of a new contract for the collection and recycling of waste wood and the award of the contract is delegated to Philip Robinson, Service Director for Street Services

### 2. BACKGROUND

The last contract to collect and recycle this wood expired in 2018 and the continued service has been secured by way of contract exemption.

PCC needs to procure a new contract to deliver this service to ensure it is compliant with the Council's Contract Standing Orders and Procurement Law.

### 3. DETAILS

Waste wood is collected separately at PCC's two HWRC sites, Chelson Meadow and Weston Mill. Members of the public are able to visit these sites and place their waste wood into designated containers.

Waste wood is also sourced from the bulky waste collection service provided by PCC to local residents and from commercial waste sources delivered to the Chelson Meadow Refuse Transfer Station (RTS).

The total quantity of waste wood collected separately is approximately 7,700 tonnes per year. This material can be diverted from disposal options to more sustainable options, namely recycling and biomass. These options are also cheaper than disposal and can provide PCC with significant budgetary savings over the option of disposal. (approx. £45/t which equates to £346,000 saving per year).

The proposal is to tender a contract for the collection and recycling of waste wood from the bulking point at Chelson Meadow to a third party reprocessing site.

The last contract expired in 2018 and the continued service has been by way of contract exemption. This process will ensure that the services can be compliantly procured in accordance with the Council's Contract Standing Orders and achieve best value for money.

Following research of the current market place for this requirement, and understanding the approach from other Local Authorities the recommended procurement route for this opportunity is to adopt the use of the Open Procedure.

If there is a change in circumstances and the recommended procurement route cannot be undertaken or no longer represents best value for the Council any subsequent procurement route undertaken will be in accordance with the Council's Contract Standing Orders and Procurement Law.

#### **4. IMPACT OF PROCUREMENT**

**Costs:** There is no additional cost anticipated as a result of approving this business case.

**Level of service to residents:** PCC will be able to continue to offer a recycling option to the residents of Plymouth for their waste wood.

**Level of service to commercial customers:** PCC will be able to continue to offer a recycling option to the commercial waste operators who rely on Chelson Meadow transfer station to recycle their waste wood. It would allow them to continue to offer a recycling service to their customers.

#### **5. RISKS**

##### **Insufficient budget to fund the service**

The Revenue budget is currently based on historical tonnages and charges which are unlikely to rise significantly as a result of securing a long term contract to provide this service. Any additional cost related to commercial wood recycling can be recovered by increasing charges.

##### **No bids received for the service**

It is very unlikely that no bids are received to provide this service. There has been ongoing interest from the market since the current contract expired in 2018. The market will be engaged at an early stage to ensure they participate in this process.

##### **Increased costs for collection and recycling above current spot price**

It is expected that the prices obtained through a competitive procurement process will be cheaper than the current spot price.

##### **Mobilisation of service in the event of a new provider**

Tenderer's plans for mobilisation of the contract will be requested and assessed during the tender process to ensure an effective transition of service provider.