Strategic Waste Options

CHESC 2nd March 2022







Two Main issues...

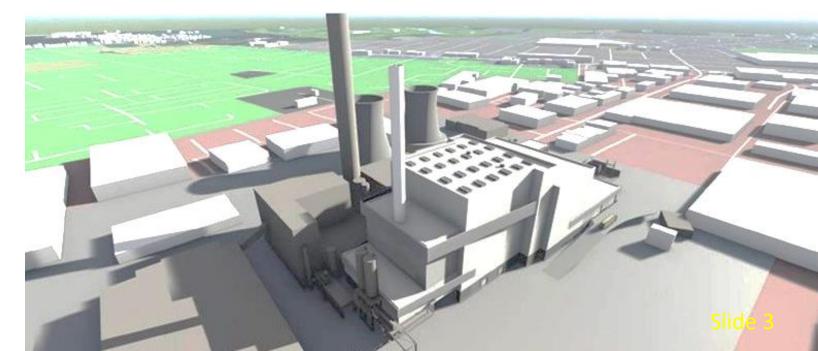
- Food waste processing
- Reduce costs

Two Main Options...

- Modify MBT
- Reprocure





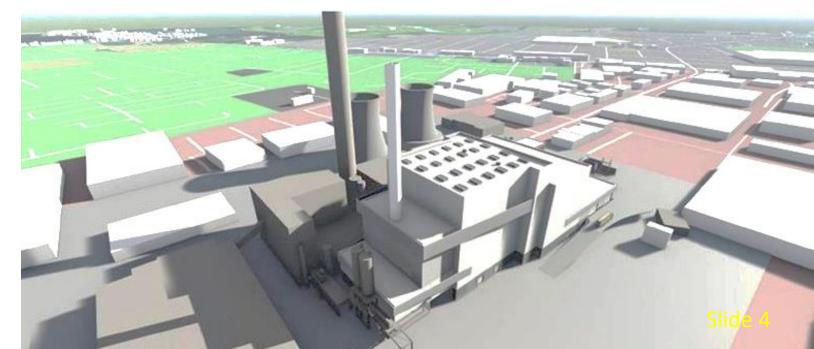


Future flexibility Contract end date remains 2035 Procurement Challenge?

Cheaper per tonne cost £27m Termination Fee Stranded Asset Major procurement Tie-in to mid 2040s+







Modify MBT option is preferred

Flexibility	••
Cost	••
Carbon	••
Contract length	••
Resources to deliver	
Timescale to deliver	•••
Use of asset	••









Additional Vehicle Movements for HDC Recycling

- Daily maximum permitted movements set out in planning conditions
- Most HDC recycling related movements will be Mon-Friday
- Figures shown are typical numbers of vehicles entering <u>and</u> exiting per day.

(double the numbers for individual in or out movements)

•	Permitted weekday	Typical Actual		Typical HDC DMR
	196	<120	>76	11*

*8 RCVs and 3 HGVs (may be back-loaded)



RDF and Site Ha





Risks

• Procurement Challenge

- The proposed variations to the MRMC would be in accordance with the PCR 2015
- We can provide evidence that modifications to the existing contract has become necessary, economically and technically justifiable and amount to less than 50% of original value
- significant benefits operationally for Biffa to undertake the work on our behalf
- General Supply Chain Costs
 - RDF cost will track EfW price -
- Delay to government guidance and commitment by Ds&Bs
 - review in 2 years if uncertainty persists
- Further policies re. waste and decarbonisation likely within the next 10 years
 - Retention of MBT facility would be prudent



Recommended that Cabinet approve:

(1) The variation of the Materials Resource Management Contract and associated capital investment to allow for:

- a. processing of source-segregated food waste
- b. production of loose RDF
- c. improvements for the capture, storage, and disposal of metal for recycling to achieve the income from metals
- d. removal of redundant equipment
- e. bulking of dry mixed recycling (DMR) for delivery to the materials recycling facility (MRF)

(2) The commencement of a procurement for the disposal of refuse derived fuel until 2035 with a possible extension until 2040

(3) Delegation of authority to commence (1) and (2) above to the Director of Environment and Public Protection at a time to be agreed in consultation with the Cabinet Member for Environment and Climate Change and the Directors of Finance and Legal Services. In the event that either or both (1) and (2) are not exercised prior to 31st March 2024, to bring a further report to Cabinet no later than 30th June 2024



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