

Report to Steve Read, Assistant Director (Environment and Public Protection)

September 2022

Contract Award: Street Sweepings Processing

Report by Gareth Rollings, Head of Waste

Electoral divisions: All

Summary

In October 2017 the County Council, following an open procurement process, entered into a processing contract with Biffa Waste Services Limited for the provision of recycling, treatment and disposal of street sweepings services. The initial three-year contract has already been extended to its maximum extent by a further two years and will come to an end on 1st October 2022.

A procurement exercise has been undertaken and the purpose of this report is to seek approval for the award of the Street Sweepings Processing Contract to Biffa Waste Services Limited. This contract has an estimated value of £1,448,000 over the entire six (6) year period and is designed to deliver the requirements of the County Council's statutory duties and the aims and objectives of the West Sussex Waste Partnership.

Recommendations

That the Assistant Director (Environment and Public Protection) awards the new Street Sweepings Processing Contract to Biffa Services Limited for a four (4) year period commencing on 1 October 2022, with the ability to extend by up to an additional two (2) year period at a total estimated value of £1,448,000.

Proposal

1 Background and context

- 1.1 The County Council is a Waste Disposal Authority (WDA) with the responsibility to arrange for the disposal of the controlled waste collected by the Waste Collection Authorities (WCAs). The Council aims to move waste up the waste hierarchy and divert waste from landfill. The waste hierarchy is a tool used to prioritise waste management options according to what is best for the environment. It gives top priority to preventing waste in the first instance, then reuse, next is recycling, then energy recovery, and finally disposal of waste.
- 1.2 The District and Borough Councils were consulted during the procurement of this contract and the Strategic Waste Officers Group (SWOG) appointed a

representative to work with the project team with a view to working effectively with their existing collection arrangements.

- 1.3 Street sweepings collected by the District and Boroughs in West Sussex are currently delivered, either directly, or bulked up via the Recycling and Waste Handling Contract through transfer stations and transported, to Biffa Waste Services Limited's aggregate treatment recycling facility in Horsham for processing.
- 1.4 The current processing contract allowed the County Council to divert street sweepings from landfill and push the material further up the waste hierarchy to recycle around 99% of the material. This has also saved the Council around £2.6m over the life of the current contract to date due to the much lower price per tonne for processing versus landfill.
- 1.5 Mechanical separation and washing (using recycled water) technology at this plant separates street sweepings material into different grades of aggregates and organic content to achieve up to 99% recycling.
- 1.6 The initial three-year processing contract has already been extended to its maximum term of five years and will end on 1st October 2022. This report seeks approval to award the new Street Sweepings Processing Contract to Biffa Services Limited for a four (4) year period, with the ability to extend by up to an additional two (2) year period commencing on 01/10/2022.

2 Proposal details

- 2.1 Re-procure the contract using an open tender process – This is the preferred option that was chosen as it enables the County Council to approach the market and therefore secure the most competitive price available. It also allows the Council to ensure continuity of service for a longer period of time period than is possible via an extension. A 4+2 year contract term was considered to be conducive to competitive bids. The open process had the benefit of being a relatively fast route allowing for a mobilisation period. The open tender process was suitable for this contract as there are only a small number of companies able to provide this service on the scale required.
- 2.2 The Council conducted an Open Invitation to Tender procurement exercise from 20/06/2022 to 20/07/2022. Three tender submissions were received.
- 2.3 Biffa Waste Limited submitted the strongest overall bid and have extensive experience in the public sector including with the County Council. Biffa's submission detailed a recycling rate that exceeds the target in the specification as well as substantial benefits for the local community. The overall bid was comprehensive and detailed.
- 2.4 The award is for a new contract with an initial term of 4 years plus options to extend for periods up to a further 2 years, allowing for a maximum contract term of 6 years.
- 2.5 The total estimated cost for the 6-year contract is £1,448,000

3 Other options considered (and reasons for not proposing)

3.1 Options Appraisal

- Do Nothing – Allow the current contract to terminate and do not re-procure a new Street Sweeping Contract. This was not an acceptable option as the collection and disposal of street sweepings is a statutory service.
- Extend the current contract – The current contract does not have an extension period set out in the terms and conditions therefore it would have to be extended using regulation 72 of the Public Contract Regulations. This procurement route is potentially open to challenge by other suppliers not given the opportunity to tender for this work.
- Re-procurement via a framework – There are no public sector frameworks that provide Street Sweeping disposal services. Therefore, this is not a viable option.
- A longer-term contract was not proposed as it would not allow for the Council to test the market for further market entrants and/or evolving technology.
- Re-procure in partnership with other local authorities – this was not considered a viable option due to logistics and neighbouring arrangements. The neighbouring local authorities are either locked into contracts that don't align or don't have the transfer station capacity to bulk and deliver street sweepings.

4 Consultation, engagement and advice

The Procurement Board has been consulted on the proposal as part of the County Council's internal governance and the procurement process was undertaken in accordance with the Standing Orders for procurement and contracts.

5 Finance

5.1 Revenue consequences

Whilst the exact cost of the contract will be governed by the tonnages delivered to the supplier, based on the current estimates the contract can be delivered from within current resources. The total contract value is £1,448,000 (*at current rates before annual inflationary adjustments are applied*) over the entire six (6) year period

5.2 The effect of the award:

(a) **How the cost represents good value.**

The gate fee bid by Biffa is lower than the price being paid on the current contract and there is an estimated saving (excluding inflationary impacts) of £57,600 on the cost of the current service over the initial 4-year period, and a further £30,000 for the 2-year extension period if taken. Annual Indexation under the contract is treated as follows:

On each anniversary of the Commencement Date either party may request, by notifying the other party in writing, the Contract Price to be increased or reduced by a percentage not exceeding the increase or reduction (if any) in the Index... Any agreed increase or reduction in the

Contract Price must be set out in writing and signed on behalf of both parties.

(b) **Future savings/efficiencies being delivered**

This contract will continue to divert street sweepings away from landfill and avoid the significant costs associated with depositing material into landfill.

(c) **Human Resources, IT and Assets Impact**

The new contract will not require any additional Human Resources or IT resources as it can be delivered under the current staffing resources and systems. The Council's Assets will not be impacted by the new contract.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Risk of poor service	The evaluation of Biffa's tender submission included an assessment of their technical capability. Biffa are also the incumbent supplier and have a history of providing a good quality service.
Composition and contamination of street sweepings (including rural run-off from farmers' fields).	Contract specification to allow for a 'normal level' of contamination expected within the majority of street sweepings delivered, current contract specification has this currently. Specification and schedules to ensure that 'normal levels' take in to account seasonal variations in quality. Frequent discussions will be had with SWOG to ensure this risk is mitigated.
Tonnage levels of street sweepings are volatile/inability to meet potential contract targets.	Tonnage levels to be monitored closely. The specification will remain flexible regarding levels of street sweepings to reflect the ongoing growth in housing developments and overall road network length. The specification and schedules will take into account seasonal variations in tonnage.

7 Policy alignment and compliance

7.1 The recommendation supports Our Council Plan 2021-2025 priorities by:

- making the best use of resources
- assisting with the underpinning theme of Tackling Climate Change
- supporting Key Performance Indicator 23: The percentage of Household waste recycled, reused or composted.

The proposal also supports the following outcome:

- Outcome 4 – Value for money

7.2 Equality duty and human rights assessment
The project aims to improve the delivery of public services and has no foreseen equality duty implications.

7.3 Climate Change

The council can have some control over waste emissions through specification of how and where waste is processed. Continuing to divert street sweepings from landfill will keep carbon emissions low when compared to landfill even after allowing for the energy costs of processing.

There is an organic fraction in street sweepings which, if deposited in landfill, would degrade anaerobically to contribute to landfill gas emissions. In this contract the organic residue generated by the process is then taken to Biffa Redhill Soil Treatment Facility for further treatment and used on the adjacent landfill site for land restoration.

7.4 Crime and Disorder

There are no known Crime and Disorder Act implications.

7.5 Public Health

There are no direct public health implications identified as a result of this proposal.

7.6 Social Value

There are no particular social value implications beyond assisting the Council meet its strategic aims in relation to environmental protection and social and economic benefits to our communities.

7.7 The contract meets the aims and objectives of the West Sussex Waste Partnership by following the Waste hierarchy, ensuring West Sussex residents receive value for money, and that waste is being disposed of following the Environmental Protection Act 1990 and all other legislations. The contract was procured by the Waste Disposal Authority (WDA), West Sussex County Council. The WDA ensures the Waste Collection Authorities (WCA) can dispose of waste in the best possible way. The West Sussex WDA and WCAs have a long history of successful partnership working which is crucial to moving the waste agenda forward.

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Appendices

None

Background papers

None