

Leadership Advisory Panel

10.00am, Wednesday, 31 March 2020

Haulage of Waste to Disposal Outlets

Executive/routine Wards	Routine All
Council Commitments	23, 24, 25

1. Recommendations

- 1.1 The Leadership Advisory Panel is asked to:
 - 1.1.1 approve the extension of current contracts with Neil Williams Haulage (NWH) and Enva via a waiver of Contract Standing Orders (CSOs), for the transfer of waste from the Seafield and Bankhead Transfer Stations to disposal outlets and reprocessors. This will allow time for a procurement process to be undertaken and a new contract put in place;
 - 1.1.2 note that the value of this waiver would be in the region of £700,000 over a 10 month period;
 - 1.1.3 note that this extension is expected to deliver estimated savings of £65,000 in comparison to previous haulage costs for the same time period; and
 - 1.1.4 note this will ensure the continuity of service provision until a new contract for haulage of waste can be procured and implemented.

Paul Lawrence

Executive Director of Place

Lesley Sugden, Contracts Manager, Waste and Cleansing Services.

E-mail: lesley.sugden@edinburgh.gov.uk Tel: 0131 469 5764

Haulage of Waste to Disposal Outlets

2. Executive Summary

- 2.1 This report seeks approval for the extension of current contracts with Neil Williams Haulage (NWH) and Enva via a waiver of Contract Standing Orders (CSOs), for the transfer of waste from the Seafield and Bankhead Transfer Stations to disposal outlets and reprocessors.
- 2.2 The contracts for the receipt, handling and transfer of waste expired in December 2019. A waiver was previously approved via Delegated Authority for the period January – March 2020 to allow time for an options appraisal to be conducted to identify if this function could be delivered in house.
- 2.3 The outcome of this appraisal was to continue to use an external contractor to deliver this function, as such it is necessary to extend the current contracts until such time as a procurement process is undertaken and a new contract put in place.

3. Background

- 3.1 The Council has a statutory obligation under Section 45 of the Environmental Protection Act 1990 to provide a collection and disposal service for domestic waste generated by residents. In addition, the Council has three Community Recycling Centres where residents can deposit recyclable and residual domestic waste.
- 3.2 Contracts for the receipt, handling and transfer of waste were awarded in November 2017 and were due to come to an end 28 December 2019.
- 3.3 Contract extensions, via waiver of CSOs to the value of £210,000 was approved via Delegated Authority for the period January – March 2020 to allow time for an options appraisal to be conducted to identify if this function could be delivered in house.
- 3.4 The outcome of this appraisal was to continue to use an external contractor to deliver this function.

4. Main report

- 4.1 The closure of Powderhall Transfer Station in November 2016 forced the Council's Waste and Cleansing Service to put in arrangements for the receipt, handling and transfer of waste.
- 4.2 Contracts for the Receipt, Handling and Transfer of waste were awarded in November 2017 using a framework of four providers: Biffa, Viridor, NWH and Enva (previously William Tracey Group). The estimated value of the framework (including one-year extension) was £2,982,714.
- 4.3 The contracts ended in December 2019 and a waiver was approved to cover a three-month period (Jan – March 2020) whilst an options appraisal was conducted to ascertain if the haulage of waste using articulated trucks could be delivered by the in-house Waste and Cleansing Service.
- 4.4 The conclusion of the options appraisal was that although the haulage element could be delivered in-house at a comparable rate offered by current providers, the fleet size would be small (estimated at four articulated trucks). The risks in having such a limited fleet size is high as one truck off the road at any one time would result in a 25% reduction in haulage capacity.
- 4.5 The opening of the two new transfer stations at Seafield (June 2019) and Bankhead (November 2019) means that the receipt and handling of waste has come back in house.
- 4.6 There remains a haulage requirement for the transfer of general waste to our Energy from Waste Plant at Millerhill, food waste to Biogen at Millerhill and Dry Mixed Recyclates (DMR) to our contractor Biffa at Broxburn.
- 4.7 All these waste streams are 'bulked' at the transfer stations and transported to the processing plants using articulated trucks.
- 4.8 A price review was conducted with the existing providers in December 2019. Included in the price review were Biffa, NWH, Viridor and Enva. NWH and Enva submitted the lowest haulage costs and could provide greater flexibility for delivering an 'on demand' service due to an extensive fleet size. As such, since December 2019, NWH and Enva have provided all haulage solutions to the City of Edinburgh Council for general and food waste and DMR.
- 4.9 There is now a requirement to extend these contracts further to allow time for a procurement process to be undertaken and a new contract put in place. Revised haulage rates have been agreed with the suppliers and are estimated to deliver a saving of £65,000 in comparison to the similar time period.
- 4.10 The cost of this service is dependent on the level of activity and volume of waste acquired, however the estimated maximum value of these contract extensions for the duration of this waiver of 10 months from 1 April 2020 is £700,000.

5. Next Steps

- 5.1 A full procurement exercise will be undertaken to procure a contract for the haulage of waste to disposal outlets, working in partnership with Commercial and Procurement Services, with a view to award and contract start by February 2021.

6. Financial impact

- 6.1 The cost of the contract extensions (£700,000) will be met from the Service Area's waste disposal revenue budget for financial year 2020/21.
- 6.2 The savings associated with this arrangement are expected to be in the region of £65,000.

7. Stakeholder/Community Impact

- 7.1 The introduction of 'back hauling' loads will reduce the emission from articulated lorries as there will be less particulates emitted resulting in possible improvement in air quality.
- 7.2 There are no equalities impact arising from this contract extension. The risk of successful procurement challenge is considered to be low as the Council has entered into dialogue with haulage providers with the capacity to provide the dynamic requirements of the Council.
- 7.3 By implementing a framework of 'back hauling' there is a reduction in the number of vehicle movements, fuel and mileage covered, resulting in less emissions and reduced carbon impact.

8. Background reading/external references

- 8.1 Report to Finance and Resources Committee, [26 September 2017](#) - Framework Agreement -Reception, Handling and Transfer of Waste

9. Appendices

- 9.1 None.