

Finance and Resources Committee

10.00am, Thursday, 29 October 2020

Disposal of bulky waste

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

1. Recommendations

- 1.1 Committee is asked to:
- 1.1.1 approve a 14-week extension (1 October 2020 – 8 January 2021) of current waiver with Hamilton Waste & Recycling Ltd for the treatment and disposal of bulky waste from Household Waste and Recycling Centres (HWRC's), Special Uplifts and Street Cleansing (flytipping);
 - 1.1.2 note the value of the 14-week extension of current waiver will be in the region of £91,000;
 - 1.1.3 note that £75 000 of additional costs were incurred in June and July 2020 with the reopening of HWRC's and the reduction in the number of skips;
 - 1.1.4 note that the total value of this waiver including the 14-week extension and additional HWRC costs of £403,600;
 - 1.1.5 note that at time of writing the procurement exercise for this contract will be in the final stages, with a 'preferred bidder' identified. It is intended to bring the award of contract to Committee on 3 December 2020, for approval; and
 - 1.1.6 note that this waiver extension will ensure continuity of service provision until a new contract for disposal of bulky waste can be procured and implemented.

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Report

Disposal of bulky waste

2. Executive Summary

- 2.1 This report seeks approval for a 14-week extension (1 October 2020 – 8 January 2021) of the current waiver (2143) with Hamilton Waste & Recycling Ltd for the treatment and disposal of bulky waste from Household Waste and Recycling Centres (HWRC's), Special Uplifts and Street Cleansing (flytipping) whilst the replacement contract procurement exercise is completed.

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 HWRCs where residents can deposit recyclable and residual domestic waste.
- 3.2 A waiver for this contract was approved via Delegated Authority in January 2020 with an end date of 30 September 2020.
- 3.3 The ability to procure a contract to coincide with the end of the Waiver period has been partly impacted by the effects of COVID-19 and other contracts being prioritised for procurement.

4. Main report

Energy from Waste

- 4.1 The opening of Millerhill (FCC) Energy from Waste (EfW) plant in January 2020 enabled the Council to divert most but not all domestic non-recyclable waste to the plant.
- 4.2 This included non-recyclable waste collected by Cleansing Service, namely street litter. Larger bulky items collected from flytipping, the bulky uplift service and at HWRC's cannot go to FCC as they are too large and 'block' the hopper. Such items include large metal recliners, sofa's etc.
- 4.3 Therefore, in January 2020 a waiver was approved via Delegated Authority to the value of £237,600 and awarded to Hamilton Waste & Recycling Ltd. This waiver expired on 30 September 2020.

- 4.4 Hamilton Waste & Recycling have the large plant required to 'shred' the waste into smaller components before processing it for EfW and avoiding landfill.

Options Appraisal

- 4.5 The Council conducted an options appraisal to investigate the opportunity to 'shred' the bulky waste in-house at the Bankhead Waste Transfer station before processing at the FCC.
- 4.6 The conclusion of this was to continue to use an external contractor to deliver this function as it would not be cost effective to deliver it in-house at this stage.
- 4.7 During the option appraisal, work on the procurement of a new bulky waste contract was put on hold until it was completed.

Procurement Process

- 4.8 Procurement of a new Bulky Waste Contract is at the final stage of the process, with the procurement consensus meeting has identified a 'preferred bidder' and therefore the final stages of the process will shortly be completed.
- 4.9 It is intended to seek Committee approval for the award of this contract at Finance and Resources Committee on 3 December 2020.

Current Arrangements

- 4.10 On average, 200 tonnes of bulky waste are sent to Hamilton Waste & Recycling Ltd each month.
- 4.11 However, due to the impact of Covid-19 and the reopening of HWRC's on 1 June 2020, this increased to 800 tonnes in June. Tonnages have decreased steadily throughout July (274 tonnes), August (213 tonnes) and September (175 tonnes) due to improvements in working practices at HWRC's. However, the original waiver did not account for this increased tonnage and therefore the additional costs have been factored into this waiver extension.
- 4.12 To adhere to the required physical distancing guidelines, from 1 June 2020, the HWRC sites were reconfigured which resulted in only three skips per 'pod': garden, residual (black bags) and bulky waste. The bulky waste skips contained all other waste streams including wood, laminates, soil, rubble, cardboard etc. This is the main reason for the additional 600 tonnes over what would have been sent before the coronavirus pandemic.
- 4.13 In July, all bulky waste skips were removed from HWRC's. The bulky waste is now mixed with the residual waste and separated at the Bankhead and Seafield Waste Transfer stations, before being sent to FCC or to Hamilton's.
- 4.14 This change in practice has been implemented to reduce the time and number of movements householders make when disposing of waste at HWRC's, thereby protecting staff and householders in line with Covid-19 safe working procedures

5. Next Steps

- 5.1 The procurement exercise will be concluded, with report seeking approval to award contract expected to be presented to Finance and Resources Committee on 3 December. There will then be a two week 'standstill' period followed by a mobilisation period.
- 5.2 The new contract is expected to commence by mid-January 2021.

6. Financial impact

- 6.1 The cost of the contract extension (£91,000) will be met from the Service Area's waste disposal revenue budget for financial year 2020/21.
- 6.2 Additional expenditure of £75,000 will be identified in the budget as Covid-19 related and will be covered by Covid related funding, if available.
- 6.3 The total value of this waiver is £403,600.

7. Stakeholder/Community Impact

- 7.1 There is no impact to existing stakeholders as a result of the 14-week extension to this contract.
- 7.2 There are no equalities impacts arising from this contract extension.
- 7.3 The risk of successful procurement challenge is considered to be low as the Council will be entering into a competitive tendering exercise using the Scotland Excel Dynamic Purchasing System within the extension period.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.