

Report

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Report to:	Community Services Committee
Date of Meeting:	17 June 2014
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	SEPA's Thermal Treatment Guidelines – Treatment Contract for Residual Waste
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide a progress report on the delivery of a treatment contract for the Council's Residual Waste

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted.

3. Background

- 3.1. The Council's Executive Committee of 25 September 2013 approved the commencement of a new procurement process to secure a contract for the long term treatment and disposal of the Council's residual waste.
- 3.2. The need for such a process is driven by recycling and landfill diversion targets set by the Scottish Government. Of particular importance, is the ban on landfilling of biodegradable municipal waste which comes into force on 1 January 2021. Local authorities will be required to have their respective residual waste treatment contracts in place by this date.
- 3.3. The Council has set a contract commencement date of 1 April 2017 for the provision of a contract to treat and dispose of its residual waste.

4. Current Position

- 4.1. A key requirement of the proposed treatment contract was the recognition that the Council's residual waste required a pre treatment process (removal, for example, of hard plastics and non ferrous metals) in order that it would satisfactorily meet the robust acceptance procedures of an energy recovery facility.
- 4.2. SEPA has recently reviewed its Thermal Treatment Guidelines on the need to pre-treat residual waste and has subsequently outlined sources of evidence that would allow a local authority to avoid the need for any pre-treatment of its residual waste.

Typically those include:

- recent Waste Composition Analysis (which should demonstrate that there are no significant amounts of plastic or non ferrous metals in our residual waste stream)
- plans showing our commitment to extend our provision of recycling facilities
- cost benefit analysis to determine the cost of extracting non ferrous metals and dense plastics from our residual waste as opposed to the income generated from sales of the extracted material

- 4.3. Given the significant financial savings associated with the removal of the need to pre-treat residual waste, the Council will make a submission to SEPA.

5. Procurement Options

- 5.1. The removal of the requirement to have waste pre-treated streamlines the waste treatment process. This now allows the Council to use the restricted procurement procedure which broadly entails:-

- The contract is issued as part of the tender documents and after a period of clarification, bidders submit their tenders, pricing any risks set out in the contract. The restricted procedure is, therefore, suitable for use where there is clarity on the services sought. The submissions from bidders are evaluated with little or no scope to change any aspect of their bid.

- 5.2. Given the reduced financial expenditure associated with a restricted procedure in comparison to Competitive Dialogue and, allied to its ability to be safely delivered by 1 April 2017, it is the recommended procurement delivery model for our proposed treatment and disposal contract of residual waste. The contract duration would be set at 10 years, with an option to extend for a period of a further five years.

6. Employee Implications

- 6.1. There are no employee implications relative to the report.

7. Financial Implications

- 7.1. Estimates by the Council's Financial Consultants suggest that the Council could save between £1.3 million and £2.6 million per annum by avoiding the requirement to pre-treat its residual waste.

It should be noted that the figures quoted above do not represent a saving against the existing budget but the level of cost avoidance that could potentially be achieved when comparing the two different models (i.e. pre-treatment versus no pre-treatment)

8. Other Implications

- 8.1. Sound waste management practice within the local community contributes to the Council's sustainable development objectives within the now Sustainable Development Strategy. The strategy is intended to mitigate environmental risks posed to the Council which are considered under its risk register.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. There is no requirement to carry out an impact assessment in terms of the proposals within the report.

- 9.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Colin McDowall
Executive Director (Community and Enterprise Resources)

2 June 2014

Link(s) to Council Values/Objectives

- Sustainable Development

Previous References

- Executive Committee 25 September 2013

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-Stephen Kelly, Head of Facilities, Waste and Grounds Services

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