

## **The Vale of Glamorgan Council**

**Cabinet Meeting: 14 March, 2016**

### **Report of the Cabinet Member for Visible and Leisure Services**

#### **The Treatment of Biodegradable Municipal Waste Tender Acceptance**

##### **Purpose of the Report**

1. To seek approval from Cabinet to appoint a service provider for the treatment of biodegradable municipal waste following completion of a competitive tendering process.

##### **Recommendation**

1. That Members note this report and deal with the matter under the Part II report on the agenda.

##### **Reason for the Recommendation**

1. Consideration of the tender submissions are detailed under the Part II report.

##### **Background**

2. On the 17th November, 2014 Cabinet (Minute c.2537 refers) received a report which advised and updated progress on the joint procurement project with Cardiff County Council for the long term treatment of organic waste produced by both Councils and to agree a preferred contract bidder to provide this service.
3. The Council signed an Inter Authority Agreement (2) with the County Council of the City and County of Cardiff to enter into a contract with Kelda Organic Energy Limited, a private sector contractor, to deliver an organic waste treatment project that deals with the long term treatment of its organic waste.
4. Kelda Organic Energy Limited was appointed to deliver a design and build scheme based on WG's preferred method of treatment for food waste - Anaerobic Digestion (AD). The procurement of AD treatment provided valuable WG grant funding to help offset the long term gate fees for treating food waste over the next 15 years. The project also deals with the treatment of garden waste using standard windrow methods at Cardiff's own Lamby Way landfill site.

5. The operational phase to complete the project commenced in early October, 2014 with a planned service commencement date of the 31st March, 2017. Although contractual obligations and penalty clauses exist to preserve the service commencement date, as with all large civil projects, there is the potential for slippage, which could result in potential delays with commissioning the plant and/or the actual service commencement.
6. Therefore it has been necessary to ensure the new tender with Cowbridge Compost Limited has the flexibility to dovetail into all eventualities associated with the planned service commencement date of the joint procurement project with Cardiff County Council and Kelda.
7. On 20th May, 2013 Cabinet (Minute C1341 refers) received a report which advised and updated the progress of procuring the service for the treatment of biodegradable municipal waste and Cabinet were asked to award the contract for the service following a competitive tendering process.
8. Cowbridge Compost Limited were appointed as the successful bidder and appointed for the period 1st April, 2012 to 31st March, 2015 with an option to extend a further 12 months to the 31st March, 2016. The Council opted to extend the contract for the extra year and the contract will now expire on the 31st March, 2016.
9. In accordance with Contract Standing Orders a new procurement process was undertaken in line with the European Union compliant competitive tendering process using an Open Tendering Procedure. This process commenced in December, 2015 and tender documents were finalised by officers in early January, 2016.
10. The contract term in the tender was structured to taper into the commencement date (for the new facility) of the 31st March, 2017 for the long term joint procurement project. The tender also allows for monthly extensions should the date of the 31st March, 2017 slip for some unforeseen reason.
11. Advertisements went out on the 9th January, 2016 and tenders returned on the 17th February, 2016. Five companies initially expressed an interest in this tender but only Cowbridge Compost Limited (the current operator) submitted a bid:

Date Interest Shown	Company Name	Company Response
12/01/2016	Cowbridge Compost Limited	Submitted Tender
11/01/2016	Abengoa Bioenergy	Withdrew Interest
11/01/2016	Biogen UK Limited	Withdrew Interest
11/01/2016	New Earth Solutions Group Ltd.	Withdrew Interest
10/01/2016	Cory Environmental Limited	Withdrew Interest

### **Relevant Issues and Options**

12. A tender assessment report has been undertaken to analyse the bid received out of the five interested companies listed above.
13. Details of the submitted bid are covered under the Part II report dealt with later on the agenda for this meeting.

## **Resource Implications (Financial and Employment)**

14. The costs associated with this new contract will be met by the waste management and cleansing revenue budget for 2016/17 and 2017/18, should it be necessary to extend the contract into the financial year 2017/18.

## **Sustainability and Climate Change Implications**

15. Maximising the amount of municipal household waste recycled is considered to be a major contributor to achieving sustainable waste management and have a positive impact on climate change reduction by reducing greenhouse gas emissions.

## **Legal Implications (to Include Human Rights Implications)**

16. Officers in collaboration with the Director of Environment and Housing Services and the Head of legal Services will be required to progress contractual arrangements with Cowbridge Compost Limited once agreed by Cabinet.

## **Crime and Disorder Implications**

17. There are no crime and disorder implications to this report.

## **Equal Opportunities Implications (to include Welsh Language issues)**

18. There are no equal opportunity implications to this report.

## **Corporate/Service Objectives**

19. The relevant Corporate Priorities are to:

Work with partners to provide appropriate collection, treatment and disposal services for residual waste and recycling that aims to maximize the re-use, composting and recycling of material and minimises the amount of waste produced to help the authority achieve its recycling target of 62% (2019/20).

Work with partners to develop a sustainable community which maximises opportunities for economic growth social improvement and environmental regeneration and protection.

## **Policy Framework and Budget**

20. This is a matter for the Executive decision.

## **Consultation (including Ward Member Consultation)**

21. As waste management services are Vale of Glamorgan wide no specific ward member consultation has been carried out.

## **Relevant Scrutiny Committee**

22. Economy and Environment.

## **Background Papers**

None.

**Contact Officer**

John Davies - Commercial Manager, Waste Management & Cleansing

**Officers Consulted**

Committee Reports – Legal Services  
Accountant - Building and Visible Services

**Responsible Officer:**

Miles Punter - Director of Environment and Housing Services