

BABERGH DISTRICT COUNCIL

FROM: Head of Environmental Services

REPORT NUMBER **E 16**

TO: STRATEGY COMMITTEE

DATE OF MEETING 28th April 2005

PROCUREMENT OF COMPOSTING SERVICES

1. SUMMARY

- 1.1 Members will be aware that the Council's strategic approach to meeting its recycling objectives has initially concentrated on the collection of dry recyclate through the successful implementation of the TwinBin scheme. The final stage of this scheme, the commissioning of the new MRF will culminate in the official opening of this site on 10th June this year. Further progress will necessitate the introduction of a third bin, this being consistent with the Suffolk Joint Municipal Waste Strategy. The next major change will be the removal of compostable waste from that going to landfill over the next few years. This report seeks authority to procure composting services.

2. RECOMMENDATIONS

- 2.1 That the Committee notes the application of exemption 2(d)(i) as required by paragraph 2(b) of the Contract Procedure Rules.
- 2.2 That the Committee authorises the Head of Legal and Administrative Services in consultation with the Head of Environmental Services to enter into an agreement for the composting of green waste at one or more of the sites provided as a result of the Suffolk Partnership procurement exercises.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 This process should result in lower gate fees for the Council. Provision will be made for the agreed fees in the Council's future budgets.

4. KEY INFORMATION

- 4.1 In February 2004 Members were informed of the Suffolk Partnership's successful bid to Defra for £4.8m to provide, amongst other things, a sustainable infrastructure for the composting of garden and kitchen waste. (Report C237, 10th February refers). As a member of the Partnership, Babergh benefited from in excess of £700,000 direct capital funding for the purchase of bins and vehicles. The greatest part of the funding has been used to build two composting plants (Lackford and Foxhall) and modify a third site (Cliff Quay) to meet Animal By-products standards. Currently Babergh's green waste is composted at Cliff Quay in Ipswich, and the third 'phase' of the bid will see the necessary improvements being made to this site. In addition to the completed site at Lackford, a new facility is being tendered to serve the east of the County. The process is being led by Suffolk County Council on a 'design, build and operate' contract basis.

4.2 Babergh has been identified as a partner and a potential user of the services which both facilities will provide and the procurement of the service has been undertaken in compliance with EU procurement regulations. In order for the Council to take advantage of this procurement process it is necessary to invoke paragraph 2(d)(i) of the Contract Procedure Rules which states: 'Where purchases are made or services rendered as a consequence of a contract made by another local authority, government department, body or agent the benefits of which the Council obtains as a result of participation in a consortium', then the requirement to separately tender can be exempted. This will enable the Council to use the facilities at the tendered rates as and when the need arises and the next phase of collection is introduced.

4.3 The justification for this course of action is:-

- The Council has been an active member of the Partnership developing infrastructure for composting
- The sites will benefit from over £1.5m capital investment from Defra, which will then be reflected in lower gate fees than will be available elsewhere
- The gate fee will also reflect economies of scale which, because of the limited tonnages Babergh collects would not be available to Babergh through a separate agreement
- There may be a contribution to efficiency savings

The outcome of this process will be reported to the Procurement Working Group.

5. **APPENDICES**

None.

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