

Portfolio Holder Decision

Approval to procure waste management contract - Metals Recycling – Metals Recycling

Portfolio Holder	Portfolio Holder for Finance and Property
Date of decision	9 December 2022
	Signed

1. Decision taken

- 1.1 That the Deputy Leader authorises the undertaking of a procurement exercise for the recycling of metal as set out in this report
- 1.2 That the Deputy Leader authorises the Strategic Director for Communities, in consultation with the Portfolio holder for Environment, Climate and Culture, to award the contract and enter into any legal agreement necessary to implement the contract on terms and conditions acceptable to the Strategic Director for Resources

2. Reasons for decisions

- 2.1 It is the responsibility of the Council to provide Household Waste Recycling Centres (HWRCs) for members of the public and traders to deposit their waste. The Council ensures that the waste materials from the HWRCs are managed in line with the waste hierarchy and as such the Council has contracts in place for the reuse, recycling, composting and recovery of waste. One of the materials the Council needs to find a recycling outlet for is scrap metal.
- 2.2 The current contract for the recycling of scrap metal from Warwickshire HWRCs ends in March 2023 and therefore, the Councils needs to secure a new contract to commence 1st April 2023.
- 2.3 The contract will be for: provision of containers, haulage and the recycling of around 2,200 tonnes of scrap metal from Warwickshire Household Waste Recycling Centres.
- 2.4 Scrap metal is a valuable commodity, and the Council expects to receive an income from the sale of this material. The annual income the Council received for scrap metal from Warwickshire operated HWRCs in 2021-2022 was in the region of £300,000.

- 2.5 The Council has engaged with suppliers by carrying out soft market testing; the feedback from the market will help inform the contract requirements and will ensure the contract is one where both the Council and the Contractor can mutually benefit.
- 2.6 The procurement will be undertaken in accordance with Warwickshire County Council's contract standing orders and in compliance with procurement legislation. It is proposed the tender process followed will be an open procedure and the award criteria will include environmental and financial implications.
- 2.7 A project team will be established, consisting of staff from waste management, commissioning support, procurement and legal.
- 2.8 As part of the procurement strategy the Council has chosen to consider variant bids, where a compliant bid has been submitted and this gives suppliers the flexibility to offer innovative and better value solutions to the Council.
- 2.9 It is proposed the contract will have a medium-term duration of 5 years, with an initial term of 3 years and a further extension period not exceeding 24 months.
- 2.10 The timetable is to go out to the market in January 2023, so the new contract can commence 1st April 2023.

3. Financial implications

- 3.1 The total value of the concession contract to the potential supplier is estimated to be in the region of £2 million over the maximum 5 years of the contract. This is a robust estimate and has been calculated using tonnage data and estimated values of scrap metal on the 'Let's Recycle' pricing index¹.
- 3.2 The Council will seek to maximise income from the sale of the scrap metal and reduce pricing risk to the supplier, by putting in place a pricing mechanism that will track the value of the material throughout the life of the contract.

4. Environmental implications

- 4.1 The contract will ensure the safe and environmental sound management of scrap metal from Warwickshire operated HWRCs from its acceptance at the delivery point and throughout the recycling process.
- 4.2 Recycling scrap metal is good for the environment and climate change, has a strong carbon benefit and will ensure positive performance against our performance indicators.

¹ The Let's Recycle pricing index is available at www.letsrecycle.com/prices and is used widely by the industry

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Urgent matter?	<i>No</i>
Confidential or exempt?	<i>No</i>
Is the decision contrary to the budget and policy framework?	<i>No</i>

List of background papers
None.

Members and officers consulted and informed
<p>Portfolio Holder – Councillor Peter Butlin</p> <p>Corporate Board – Mark Ryder</p> <p>Legal – Hassan Hafiz</p> <p>Finance – Andy Felton</p> <p>Democratic Services – Isabelle Moorhouse</p> <p>Councillors – Warwick, Birdi, Boad, Philipps and W, Roberts</p>