

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 7 MARCH 2023.
REPORT OF THE SERVICE DIRECTOR – (RESIDENT AND NEIGHBOURHOOD)

EXTENSION OF MIXED RECYCLING CONTRACT

1 Executive Summary

- 1.1 This Council is the Lead Authority for the Mixed Recycling consortium. The initial term of the current contract expires at the end of January 2024 and this report considers options for service provision.

2 Recommendation(s)

- 2.1 That Cabinet agrees to extend the contract for Mixed Recycling with Pearce Recycling Limited by a further three years to expire on 31st January 2027.

3 Explanation

- 3.1 The Council is the Lead Authority for the Mixed Recycling consortium. Other members includes Dacorum, Three Rivers and Watford.
- 3.2 The four councils utilise a contract with Pearce Recycling Limited for the processing and sale of mixed recycling.
- 3.3 The Councils deliver mixed recycling (collected at the kerbside) to Pearce Recycling Limited who they segregate the different materials and sell them for reprocessing.
- 3.4 The contract commenced on 1st February 2017, with an initial term of 7 years and the option to extend by a further 3 years.
- 3.5 Due to the timescales involved in re procuring a contract of this size and complexity, soft market research took place in the autumn of 2022.
- 3.6 The soft market research concluded that there was no advantage of going to tender at this stage. The main reasons for this were:
- Current available capacity at reprocessors.
 - Lack of clarity from the Government with respect to implementation of Consistency, Deposit Return Schemes and Extended Producer Responsibility.

- More time for the wider partnership to look at the issue strategically including options such as possibly joining the current consortiums into a bigger single contract as well as bringing on board those partner authorities not yet part of any consortium.
- 3.7 The consortium collects approximately 28,000 tonnes of dry recycling a year, with Welwyn Hatfield collecting approximately 6,200 tonnes.
- 3.8 All members of the consortium agree with the recommendation within this report.

Implications

4. Legal Implications

- 4.1 The extension of the contract would be in accordance with Regulation 72 (Modification of Contracts during their term) of the Public Contracts Regulations 2015. There is provision in the contract to extend it until 31st January 2027.

5. Financial Implication(s)

- 5.1 The pricing mechanism for this contract is:
- A fixed gate fee per tonne – adjusted each year in accordance with CPI and public sector pay
 - The market value will be based on the mid-point prices for the materials as published in letsrecycle.com
 - Efficiency incentive.
- 5.2 No changes (other than inflationary increases) will be made to the pricing mechanism for the extension period.

6. Risk Management Implications

- 6.1 There are no additional risks in relation to the extension proposal.

7. Security & Terrorism Implication(s)

- 7.1 There are no security or terrorism implications with the recommendations in this report.

8. Procurement Implication(s)

- 8.1 The recommendation is in accordance with the Public Contracts Regulations 2015 and the contract procedure rules

9 Climate Change Implication(s)

- 9.1 This service will continue to encourage, reuse and recycling with approximately 94% of all materials collected being recycled.

10. Human Resources Implication(s)

10.1 There are no direct implications arising from this report.

11. Health and Wellbeing Implication(s)

11.1 There are no health and wellbeing implications arising from the recommendation.

12. Communication and Engagement Implication(s)

12.1 There are no direct implications arising from this report.

13. Link to Corporate Priorities

13.1 The recommendation contributes to our priority 'A well run council that puts our Customers first.

14. Equalities and Diversity

14.1 I confirm that an Equality Impact Assessment (EqIA) has not been carried out as here are no changes to the services being provided.

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