

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT CONTRACT

REPORT OF:

HEAD OF WASTE STRATEGY AND CONTRACTS

FOR SUBMISSION TO:

AUTHORITY MEETING

DATE:

23rd September 2010

SUMMARY OF REPORT:

This report updates members on the need for the Authority to procure a new WEEE collection contract ahead of the expiry of the existing arrangements on the 31st December 2010.

RECOMMENDATION

The Authority is recommended to delegate authority to the Head of Waste Strategy and Contracts to run a tender process and to appoint a WEEE compliance scheme to commence services from 1st January 2011.

**Signed by: Head of Waste Strategy
and Contracts**

.....



.....

Date: 13th September 2010

1. BACKGROUND TO THE WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) DIRECTIVE

- 1.1. The European Union WEEE Directive addresses the environmental impact of waste electrical and electronic equipment (WEEE) and promotes its separate collection when it becomes waste and then to encourage and set targets for WEEE recycling and recovery rather than disposal. WEEE is a 'priority waste stream' for the EU because of its growing volume in the municipal waste stream and its potential hazardousness following disposal. The WEEE Directive became European law in February 2003, and the subsequent regulations to bring the WEEE Directive into force in the UK, (UK WEEE Regulations (SI 2006 No. 3289)) came into force on 1st July 2007. Accompanying the WEEE Directive, the Restriction on Hazardous Substances (RoHS) Directive bans the use of heavy metals and brominated fire retardants in the manufacture of electrical and electronic equipment.
- 1.2. The producers (manufacturers, importers and significant retailers) of WEEE are required to arrange for specific levels of recycling and recovery of WEEE, and can do this either directly themselves or by joining a compliance scheme that will make the necessary arrangements for them in return for a fee, i.e. there is no cost to the Authority. The latter route has been taken by the vast majority of affected companies in the UK, so it is these compliance schemes that the Authority must deal with.

2. WORKING WITH COMPLIANCE SCHEMES

- 2.1. There are two potential routes by which compliance schemes on the one hand and waste disposal authorities or designated collection facility (DCF) operators on the other can be matched up:
 - The first option is for a compliance scheme or a disposal authority/DCF operator to approach each other and contract directly with each other.
 - Alternatively both parties can wait until the compliance schemes are allocated to particular waste disposal authorities/DCF operators.
- 2.2. Since September 2007 the Authority has employed the DHL compliance scheme firstly under an interim arrangement and then in May 2008, following a tender process, the Authority awarded a two year contract with extension provisions to DHL. The Authority, as noted in the February 2010 Authority report, extended the contract until 31st December 2010.
- 2.3. It is therefore the intention of the Authority to undertake procurement of a new WEEE collection service to commence from 1st January 2011 until 31st December 2012 with an option to extend the contract for a maximum period of two years at the sole option of the Authority.

3. TENDER PROCESS

- 3.1. Although there is no cost to the Authority for the collection, recycling and re-use of WEEE, certain WEEE streams may have a value attached to them and therefore the contract cannot be classed as a 'zero value' contract. This is primarily due to the possibility of income to the Authority associated with the scrap metal value within WEEE, although it is difficult to indicate the likely benefit to the Authority as it is a matter for tenderers to propose how much of this they will share with the Authority. The contract is however a service concession contract and is exempt from having to be advertised in the OJEU on account of falling outside the scope of the Public Contract Regulations 2006 as per regulation 6(2)(m).
- 3.2. The award of a concession contract must nevertheless be made following a degree of advertising sufficient to enable the service concession to be opened up to competition and accordingly the Authority intends to undertake a tender process for the procurement of the new WEEE collection service to ensure compliance with treaty principles of transparency and fairness.
- 3.3. The Authority intends to issue an advert on 24th September 2010 to be followed by a subsequent invitation to tender and evaluation process to procure the new service to commence on 1st January 2011.

4. RECOMMENDATION

- 4.1. The Authority is recommended to delegate authority to the Head of Waste Strategy and Contracts to run a tender process and to appoint a WEEE compliance scheme to commence services from 1st January 2011.

5. COMMENTS OF THE LEGAL ADVISER

- 5.1. The Legal Adviser has reviewed this report and all comments are incorporated within the body of the report.

6. COMMENTS OF THE FINANCIAL ADVISER

- 6.1. The Financial Adviser has been consulted in the preparation of this report and has no comments to add.

Local Government Act 1972 – Access to information

Documents used: UK WEEE Regulations (SI 2006 No. 3289)

Contact Officers: Andrew Lappage, Head of Waste Strategy & Contracts
Mark Partlett, Contracts Management Officer
Lee Valley Technopark
Unit 169, Ashley Road
Tottenham
N17 9LN

Tel: 020 8489 5730
Fax: 020 8365 0254
E-mail: post@nlwa.gov.uk

Report Ends