

**Agenda Item No:**

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:**  
**CONTRACTS ACTIVITY**

**REPORT OF:**  
**HEAD OF WASTE STRATEGY AND CONTRACTS**

<b>FOR SUBMISSION TO:</b> <b>AUTHORITY MEETING</b>	<b>DATE:</b> <b>12<sup>th</sup> December 2007</b>
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**SUMMARY OF REPORT:**  
  
This report informs Members on operational activities and associated issues dealt with by the Contracts section of the Strategy & Contracts team from January to October 2007.

**RECOMMENDATION**

The Authority is recommended to:

- i) approve the extension of the Civic Amenity Transport Contract in section 4.3 of this report
- ii) note the contract for WEEE services entered into under delegated authority in section 5 of this report;
- iii) to delegate authority to the Head of Waste Strategy & Contracts to enter into a Deed of Variation to the Main Waste Disposal Contract for clinical waste as in section 6 of this report
- iv) note the award under delegated authority of the Deed of Variation to the Main Waste Disposal Contract for In Vessel Composting Services in section 7 of this report.

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

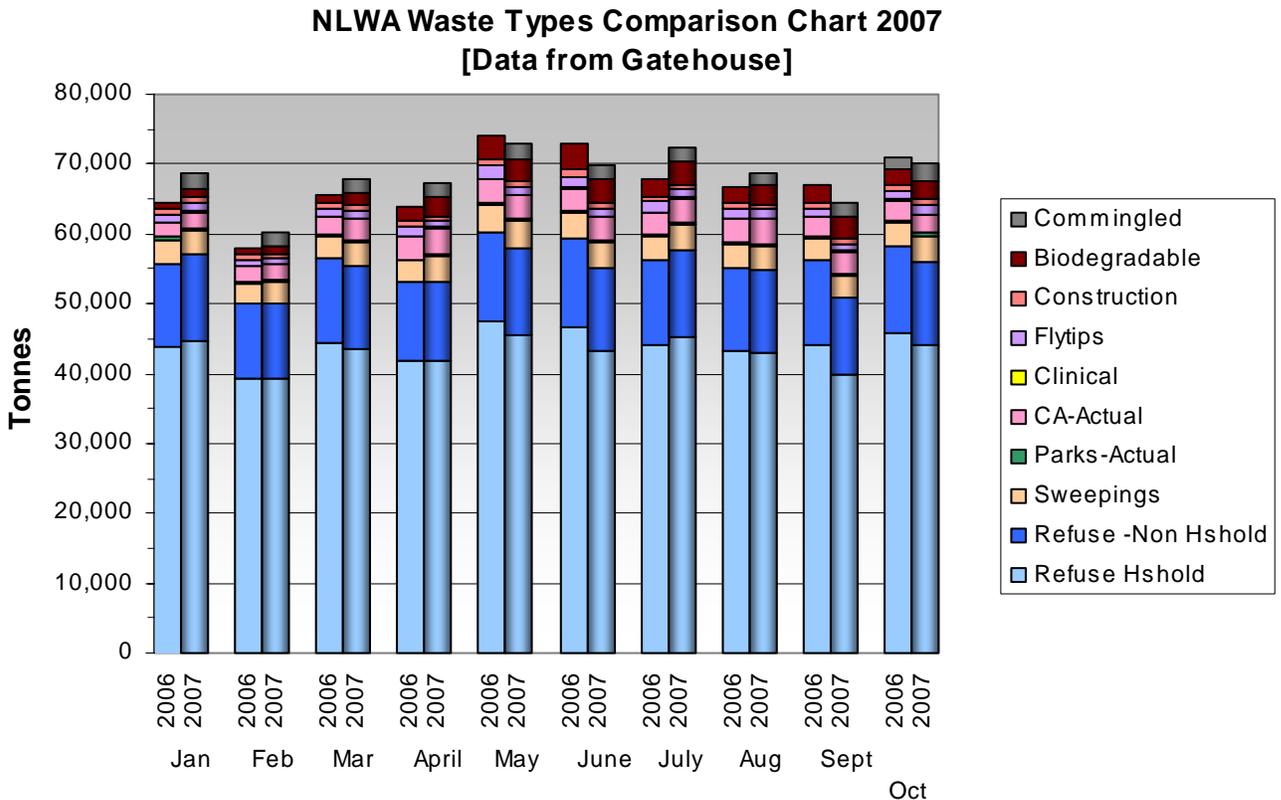
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## 1.0 BACKGROUND

- 1.1 The Section is responsible for managing contracts covering disposal of household, commercial, clinical and civic amenity waste produced by constituent boroughs, and is increasingly managing recycling and composting services.
- 1.2 The Section serves as the principal point of liaison between contractors and boroughs to resolve problems and find ways to improve existing services. It also assesses the practical implications of new legislation and investigates and secures new disposal methods/outlets as required.
- 1.3 It provides a full data reporting service on the Authority's operational activities to the boroughs and to central agencies.
- 1.3 A full description of the key sites and services is given in the Authority's Best Value Performance Plan, sent to Members in June each year and available on the Authority's website.

## 2.0 TONNAGE INFORMATION



**NB.** This chart excludes Boroughs' own waste to reprocessors

### **3.0 MAIN WASTE DISPOSAL CONTRACT**

- 3.1 The main waste disposal contract is monitored by the Contracts Section using random routine inspection of each LondonWaste Ltd (LWL) site. The aim is to visit each site on a weekly basis but where this is not possible, emphasis is given to the busier sites in order to monitor 1,100 loads per month in total. Between January and October 2007 a total of 161 visits were made; Hornsey Street was visited just over once weekly, Hendon received just under the target level, and Edmonton was visited over double the target level. These inspections are designed to highlight issues of health and safety, check vehicle turnaround times and ensure the sites are meeting borough needs. During the period covered, sampling of 6.14% of delivery transactions, over 11,000 of 179,000 waste deliveries, was carried out and this data was reconciled against claims for payment by LWL.
- 3.2 Tonnage data for these transactions, covering refuse, street cleansing, civic amenity, bulky, clinical wastes and biodegradable and commingled recycling was also sent to borough technical officers each week, month and quarter so that they could carry out their own checks on transactions and highlight problems for the Section to investigate.
- 3.3 The same tonnage data is used to validate LWL's claims for payment, for the reporting to boroughs set out at section 6 below and for forecasting future tonnage arisings to assist resource planning and LATS modelling.
- 3.4 A fundamental part of the work is pre-registering waste vehicles used by our boroughs or their contractors so that LWL can receive this waste knowing it to be at the Authority's expense. The Contracts Section has direct access to LondonWaste's computerised weighbridge system in order to authorise these vehicles. There are regularly over ten new entries and amendments every day. Usually, these are submitted by boroughs in advance, but on occasions time is critical as the vehicle is already in use, or already actually at one of LWL's weighbridges. Vehicles are de-registered automatically if set up as a temporary hired vehicle initially or manually when the borough disposes of it or returns it to the leasing company for 'permanent' vehicles.
- 3.5 Monthly contract liaison meetings are held with LWL to monitor and resolve issues under this contract and the Civic Amenity contract below. No defaults have been issued during the period against the Main Waste Disposal Contract.

#### **4.0 CIVIC AMENITY TRANSPORT CONTRACT**

- 4.1 There are currently nine re-use and recycling centres in the NLWA area generating some 31,066 tonnes of residual waste from January to October 2007. Boroughs currently make their own arrangements for recyclable and compostable wastes from these sites.
- 4.2 Site visits are made by Authority officers to ensure the quality of the service meets contractual standards. The target number of visits is four per calendar month and this target has been exceeded. Monthly liaison meetings are held with LWL for this contract and the main waste disposal contract above. Four defaults issued during the period against this Contract arose from site closures (all for less than half an hour) due to the lack of empty containers. These closures arose from a communication failure between the sites and LondonWaste and measures have subsequently been put in place to rectify this issue.
- 4.3 The Contract was awarded in 2003 for a period of five years with an option to extend for a further two years. Service levels have been of a high standard over the full contract term, as only two defaults had been issued between the start of the contract in 2003 and December 2006. It is recommended that the Head of Waste Strategy & Contracts is authorised to exercise this option and extend the current Contract for the Transportation of Civic Amenity waste until 20<sup>th</sup> June 2010.

#### **5.0 WEEE DIRECTIVE**

- 5.1 The WEEE Directive was implemented on 1<sup>st</sup> July 2007. The Authority registered 16 sites, on the boroughs' behalf, as Designated Collection Facilities (DCF's) for collection of up to five categories of household WEEE. Under this legislation waste is collected by a Producer Compliance Schemes ("PCS") at no cost to the Authority and with whom the Authority will enter into a contract for this purpose.
- 5.2 A selection process was undertaken and a scheme was chosen as the Authority's PCS, and WEEE collection was carried out by their contractor. There were a number of contractual issues which could not be resolved and which led to the termination of this arrangement on 14<sup>th</sup> September 2007. Due to the need to provide continuity of service to the DCFs, it was decided to enter into a short-term contract under delegated authority with another PCS, DHL, which already carried out collection of WEEE from neighbouring Waste Disposal Authorities' sites and was able to undertake collections at very short notice. This contract will terminate on 14<sup>th</sup> May 2008.

- 5.3 It is planned to carry out another selection process early in the New Year and to appoint a PCS, for a longer term yet to be decided, with effect from the termination of the temporary contract with DHL.

## **6.0 CLINICAL WASTE**

- 6.1 Clause 3.3 of the Specification of the Main Waste Disposal Contract requires that vehicles delivering waste remain at the disposal point for no longer than 20 minutes, including queuing. The majority of vehicles delivering clinical waste are hand unloaded and as such take longer to discharge their loads than tipping vehicles. It has therefore been agreed with LondonWaste Ltd that the time the vehicles remain at the disposal point should be increased to 30 minutes including time spent queuing. It is recommended that authority is delegated to the Head of Waste Strategy & Contracts to enter into a Deed of Variation to the Main Waste Disposal Contract to allow this change. There will be no additional cost to the Authority.

## **7.0 IN VESSEL COMPOSTING**

- 7.1 The in-vessel composting facility at LWL's site at Edmonton has been receiving waste since September 2005, and was formally opened in March 2006 when the first loads of finished compost were handed over to constituent borough councils for local use.
- 7.2 Originally, when the facility was first conceived it was intended that it would receive green wastes and non-meat food wastes, but that it would be designed to accept meat wastes (by way of future-proofing) once market needs and preferences were better understood, and once the implementation of the Animal By-Products Regulations (introduced in response to the earlier national outbreak of Foot and Mouth disease) had become clear.
- 7.3 The constituent borough councils planning to deliver biodegradable wastes into the in-vessel composting facility subsequently requested that food wastes including meat should be accepted from the beginning, accepting that this would increase the overall cost as the finished compost would no longer satisfy the premium markets that had been envisaged until that time. Authority was subsequently delegated to the Head of Waste Strategy & Contracts at the April 2005 meeting to negotiate for a wider input specification, so long as the effective gate fee remained lower than the recycling credit level that had been budgeted for in 2006/07.

- 7.4 A period of time then passed during which the real costs and risks associated with the non-premium grade of compost became understood by LWL and the Authority (as well as final Authority contributions to additional construction costs and odour and pest control costs being agreed), and during which the LWL site became the first such facility in the country to produce a compost certified to the British Standards Institute's 'Publicly Available Standard No.100' - PAS100. LWL have now agreed to an all-inclusive gate fee under which they take the risk of finding markets for the finished product, and this is within the level agreed within the delegated authority.
- 7.5 The Deed of Variation to the main waste disposal contract has therefore now been completed.

## **8.0 CONTRACTS SECTION – OTHER RESPONSIBILITIES**

- 8.1 The Section deals with all aspects of data reporting. It gathers monthly information from boroughs on over 30 categories of recycling materials. These are collated with other data from the main waste contract and ancillary agreements and submitted to Environment Agency/DEFRA via a national system known as WasteDataFlow (WDF). This information is used by the Authority, among other things, to project its likely position on Landfill Allowances. It is also used to establish the Authority's and the boroughs' Best Value Performance Indicators.
- 8.2 The Section carries out an annual audit on recycling credit claims from boroughs and third parties and this year validated claims for a total of 126,993 tonnes. This entailed a physical audit, at each borough, of a minimum of two months' weighbridge tickets for three waste streams forming at least 40% of their total claim. The result of the audit is the subject of a separate report to the Authority. Re-use and recycling credits claimed by third parties are also checked by the Section and form part of the separate report. Applications for registration for that scheme are on an annual basis and must be made by the December preceding the financial year in which claims are to be made. It is expected that the number of applications will be higher this year and this will increase the level of work needed to check applications for compliance and approval. A scheme for rewarding boroughs for the additional biodegradable municipal waste (BMW) they divert from the waste stream compared with the amount of BMW that they diverted in 2004/05 (base year) was introduced this year, the first payments being made for 2006/07. The Section has carried out work to compare the base year data to data for 2006/07 and has collated and checked claims from boroughs. Details of such claims are reported separately.

- 8.3 The Section has responsibility for ensuring the Authority's compliance with Duty of Care Regulations. It maintains a register of waste management licences for all borough and contractor sites, authorised treatment facilities for WEEE, third party outlets for compost and materials recycling facilities for commingled recyclates. Regular visits are made to all such facilities to ensure compliance with Duty of Care. The Section keeps copies of all waste carrier registrations for any organisation likely to deliver or collect waste under the Main Waste Disposal Contract, the Civic Amenity Transport Contract and other ancillary agreements such as tyres, asbestos, CRTs etc. It also raises annual waste transfer notes for all waste streams with each borough and their contractors. There are currently 75 notes which are signed by up to 5 relevant parties. Because all these copies must, by law, have original signatures this is not done by post but, rather, by physical visits to all those parties. The Section also keeps copies of hazardous waste producer registrations and advises boroughs and contractors about such registrations.

## **9.0 GENERAL MONITORING AND CONTRACT MANAGEMENT**

- 9.1 The Section provides general administrative support to the whole team and deals with enquiries from the public. It is currently working to establish an I.T. Service Level Agreement with LB Haringey, and is liaising on the migration of the Authority's computer systems to Haringey's server. It is expected that this will allow Authority staff access to software which will assist with achievement of objectives in all areas, including procurement. The section also deals with the ordering of the Authority's goods and services, ensuring that Best Value is achieved, and the payment of all invoices.
- 9.2 It carries out weekly surveys to establish the NLWA proportion of recyclate of residual waste at Edmonton. A survey is carried out annually at Hornsey Street Re-use and Recycling Centre to determine the user split between Islington and Hackney.

- 9.3 The Authority has an Interim Bulking Agreement which enables boroughs to deliver commingled recyclates via NLWA. Vehicles from participating boroughs are registered under separate code numbers to allow them to tip at Edmonton and Hornsey Street. At the inception of the Agreement boroughs were asked to give minimum and maximum tonnages which were incorporated into the Agreement, these are now being exceeded. Enfield, which was not party to the original agreement, has now asked the Authority to take approximately 16,000 tonnes per annum of commingled recyclates from 1<sup>st</sup> April 2008, when its current arrangement ends. Other boroughs have indicated that their commingled tonnage may also increase in the coming financial year due to new initiatives. These factors necessitate the re-negotiation of the level of delivery to contractors and the need to explore other options. Enfield, as part of the termination of its current arrangement, will also deliver approximately 8,000 tonnes of biodegradable waste under the levy. Other boroughs have also expressed an interest in delivering such wastes via Authority contracts and third party outlets and other options are currently being examined to resolve difficulties which may arise due to over-supply to existing facilities.
- 9.4 The Authority has now reached agreement with constituent boroughs on methods establishing the level of non-household waste produced. In May the section arranged for surveys of trade collections in each borough to find a weight-to-volume ratio, and accompanied the appointed consultants to oversee and check the process. Boroughs were asked to submit a declaration of trade contracts detailing container sizes and emptying frequencies and these declarations, when validation processes (which are currently being undertaken by the Section at the time of writing) have been completed will form the foundation for non-household charges for 2008/09.

## **10.0 CHRISTMAS AND NEW YEAR**

- 10.1 The Section is currently gathering data on borough working arrangements and liaising with contractors on the opening times of re-use and recycling centres and waste reception sites in order to co-ordinate collection and disposal service provision to an optimum level.

## **11.0 RECOMMENDATIONS**

- 11.1 The Authority is recommended to:
- i) approve the extension of the Civic Amenity Transport Contract in section 4.3 of this report
  - ii) note the contract for WEEE services entered into under delegated authority in section 5 of this report;
  - iii) to delegate authority to the Head of Waste Strategy & Contracts to enter into a Deed of Variation to the Main Waste Disposal Contract for clinical waste as in section 6 of this report
  - iv) note the award under delegated authority of the Deed of Variation to the Main Waste Disposal Contract for In Vessel Composting Services in section 7 of this report.

## **12.0 COMMENTS OF THE FINANCIAL ADVISER**

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

## **13.0 COMMENTS OF THE LEGAL ADVISER**

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

### **Local Government Act 1972 – Access to information**

**Documents used:** None

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**Report Ends**