

CABINET - 26 JUNE 2008 EXECUTIVE SUMMARY SHEET - PART 1	
Title of Report: WASTES DISPOSAL CONTRACTS	
Author(s): Director of Community and Cultural Services	
Purpose of Report: Pending the making of alternative arrangements to agree to the extension of existing wastes management contracts to 31 March 2010.	
Description of Decision: To agree to the extension of existing wastes management contracts to 31 March 2010.	
Is the decision consistent with the Budget/Policy Framework * Yes/No	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: To ensure the continued provision of appropriate and affordable wastes management arrangements and continuity of service provision.	
Alternative options to be considered and recommended to be rejected: No practical alternative options are available at this time.	
Is this a "Key Decision" as defined in The Constitution Yes/No	Relevant Review Committee: Environmental and Planning
Is it included in the Forward Plan Yes/No	

REPORT OF DIRECTOR OF COMMUNITY AND CULTURAL SERVICES

WASTES DISPOSAL CONTRACTS

1. PURPOSE OF REPORT

- 1.1 Pending the making of alternative arrangements to agree to the extension of existing wastes management contracts to 31 March 2010.

2. DESCRIPTION OF DECISION (RECOMMENDATIONS)

- 2.1 To agree to the extension of existing wastes management contracts to 31 March 2010.

3 BACKGROUND

- 3.1 Following a tendering exercise in late 2004 contracts were awarded to a number of contractors for packages or types of wastes for a period of three years commencing 1 April 2005, with an option exercisable by the Council to extend this period by two further periods of one year.
- 3.2 Contracts were awarded and currently exist as follows:

Acceptance of municipal waste	i) Sita UK Ltd ii) Alex Smiles Ltd iii) Holystone Ltd
Acceptance of Green waste	i) Sita UK Ltd ii) Premier Waste Ltd
Removal of municipal waste from Council depots	i) Alex Smiles Ltd
Removal of separated soils and rubble From the Household waste reception site (Beach St)	i) Premier Waste Ltd
Acceptance of tyres and removal of tyres from Council depots	i) Alex Smiles Ltd
Clinical waste	i) Holystone Ltd
Cement- bound Asbestos	i) Sita UK Ltd

The disposal of small animal carcasses is dealt with under other arrangements with the Pet Crematorium.

- 3.3 The award of contracts was principally based on best value, capacity and locality so as to minimise unproductive time on travelling to and from waste disposal sites. Further considerations were the capacity of the disposal facilities to contribute to the Council's waste recovery and recycling targets and to limit disruption to refuse collection and street cleaning services during periods of inclement weather.
- 3.4 The vacillation in fuel costs, particularly those experienced in recent months, supports continuation of that approach.
- 3.5 It is considered that the Council has benefited in respect of operational efficiency and cost from the flexibility offered by the existing contracts.
- 3.6 The rates submitted by the contractors are subject to annual increases in line with the Retail Price Index (RPI) on the 1 April each year.
- 3.7 Since award of the contracts in April 2005 the amount of municipal waste handled by the Council has reduced from 162,048 tonnes in 2004/05 to 155,649 tonnes in 2007/08 and is expected to further reduce in 2008/09. Meanwhile the improved recycling and composting performance over the same period has reduced the reliance on landfill as a means of disposal.

4. PROPOSAL

- 4.1 It is proposed that the existing contracts are extended to 31 March 2010.
- 4.2 Members will be aware that the South Tyne and Wear Waste Management Partnership is engaged in the procurement of longer- term waste treatment arrangements for residual waste and shorter- term arrangements for recyclable materials and garden waste as well as recovery measures. Should the outcome of a recent tendering exercise in respect of the latter provide an economically advantageous means of dealing with some household waste in 2009/10 and beyond; it will further reduce the reliance on landfill.

5 REASONS FOR THE DECISION

- 5.1 To ensure the continued provision of appropriate and affordable wastes management arrangements and continuity of service provision.

6. ALTERNATIVE OPTIONS

- 6.1 No practical alternative options are available at this time.

7. RELEVANT CONSIDERATIONS/ CONSULTATIONS

a) Financial Implications

The City Treasurer has been consulted and his comments incorporated within the report. The costs of the extended contract have been accommodated within the provision for waste disposal in 2009/10.

b) Legal

The City Solicitor has been consulted and his comments incorporated within the report

c) Implications for Other Services

The availability of and access to waste management facilities has a direct effect upon the efficiencies and costs of the refuse collection and street cleaning service. The aim is to secure wastes management arrangements that minimise the impacts upon and the costs of those services.

d) South Tyne and Wear Waste Management Partnership

The proposal does not hinder or obstruct plans of the partnership to procure longer- term waste treatment solutions and ensures continuity of service whilst those procurements proceed.

8 BACKGROUND PAPERS

8.1 No papers were used in the compilation of this report:

