



City of Westminster

Waste Disposal Contract Procurement Strategy

15th January 2015

Overview

Current Waste Disposal Contracts expire September 2016 and new arrangements are needed.

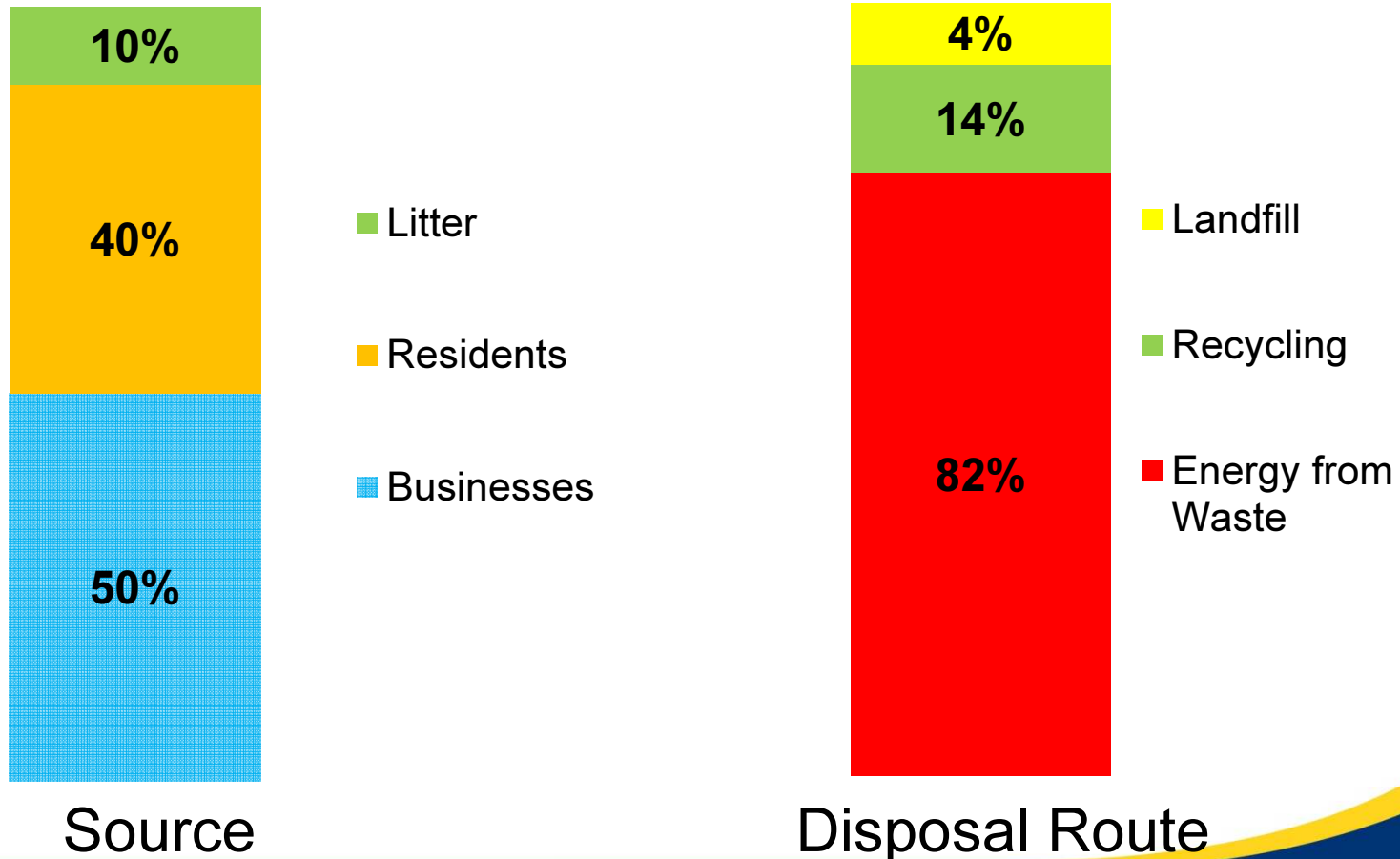
Key Stages:

- *Internal Scoping - define requirements & understand the market;*
- *Draft Waste Strategy – Public Consultation;*
- *Final Waste Strategy - GLA approval;*
- Procurement.



Current Arrangements

184,000 tonnes per year. Annual Cost - £10.5m.



Current Contract Arrangements

Supplier	Contract	Annual Value	Expiry	Extension?
Veolia	<ul style="list-style-type: none"> • Energy from Waste • Recycling • Landfill 	£8m	Sept 2016	1 year
Veolia	<ul style="list-style-type: none"> • Transfer Station 	£760K	Sept 2016	1 year
Cory	<ul style="list-style-type: none"> • Transfer Stations • Energy from Waste • Recycling • Composting • 'Household Tip' 	£1m	Sept 2016	Up to 16 Years
Veolia	<ul style="list-style-type: none"> • Waste Collection • Street Cleansing 	£36m	Sept 2017	Up to 7 years



Service Drivers

- Collection services meet needs of residents and businesses;
- Compliant with National and Regional Waste Strategies;
- Affordability.



Members Task Force

- Cllrs Cox, Hyams, Mukerji and O'Connell
- Infrastructure Visit – Southwark MBT and MRF
- Recommendations
 - Structure and content of consultation exercise
 - Incentives – Community benefits



Public Consultation

Source of Responses	No. of Responses
Residents (Doorknocking)	12,064
Residents (Online questionnaire)	450
Businesses (Online questionnaire)	49



Consultation Responses

Additional Materials – Food, Batteries and WEEE.

Flats Recycling – Improved bag delivery system

Food Waste – 43% would use, 25% don't know/no preference

Garden Waste – 50% support policy

City Tip – 55% would use, 15% wouldn't, 30% didn't know

Incentives – 40% community benefit, 28% environmental information, 25% wanted direct financial benefit.



WCC Current Performance

Mayor's Strategy Target 2020

WCC Strategy Target 2020

14%

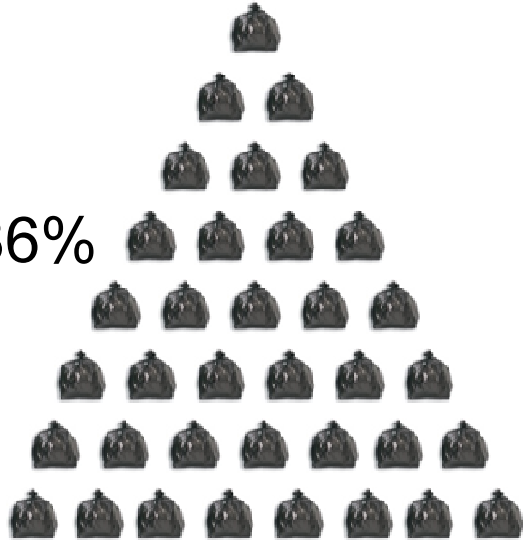


50%

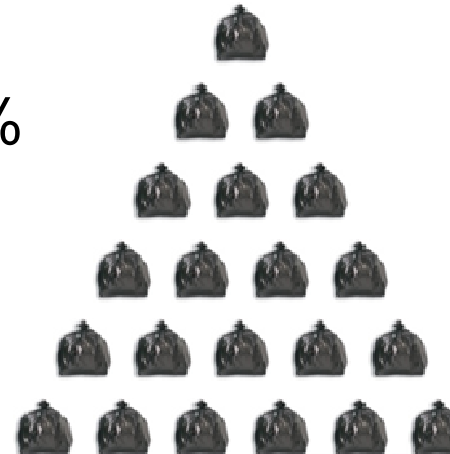


35%

86%



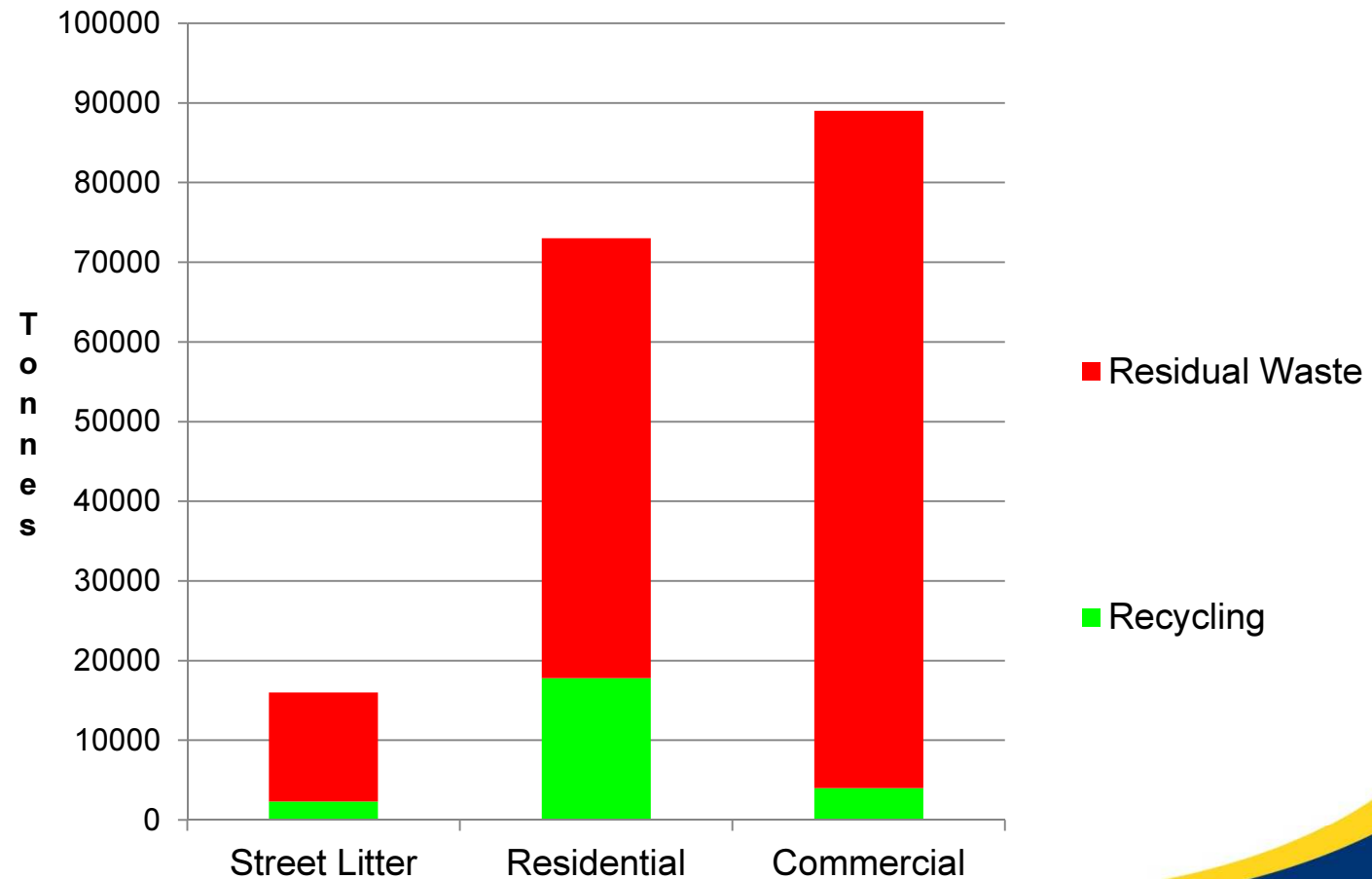
50%



65%



Current Waste Sources and Disposal Routes (2013/14)



Mayor's Environment Advisor Matthew

Pencharz said of our Waste Strategy (Sept 2014)

“I welcome the clarifications and changes made ... notably

- Setting higher recycling targets (35% by 2020, 40% by 2025 and 45% by 2031);
- WCC's intention to procure solutions meeting the Mayor's CO2 emissions performance standard (EPS) and carbon intensity floor (CIF);
- A commitment to use your upcoming waste procurement (starting winter 2014/15) to explore opportunities and innovation to achieve high reuse and recycling performance in the City;
- WCC not being wedded to any particular technologies or waste management approach;
- A commitment to significantly boost commercial waste recycling services”



Waste Strategy Targets (2016 – 2031)

To achieve zero growth in the amount of waste produced by each household per year by 2020.

To reduce the amount of household waste not re-used, recycled or composted by the residents of Westminster to 225 kg per capita by 2020.

To achieve a municipal waste recycling rate of 35% by 2020, 40% by 2025 and 45% by 2031.

To maximize diversion of biodegradable municipal waste from landfill to exceed 2020 national targets.



Scope of Requirements

- Treatment and Disposal of residual waste
- Provision of public tip (HWRC)
- Disposal/treatment of organic waste
- Disposal of dry recyclables

- Operation and management of transfer station?



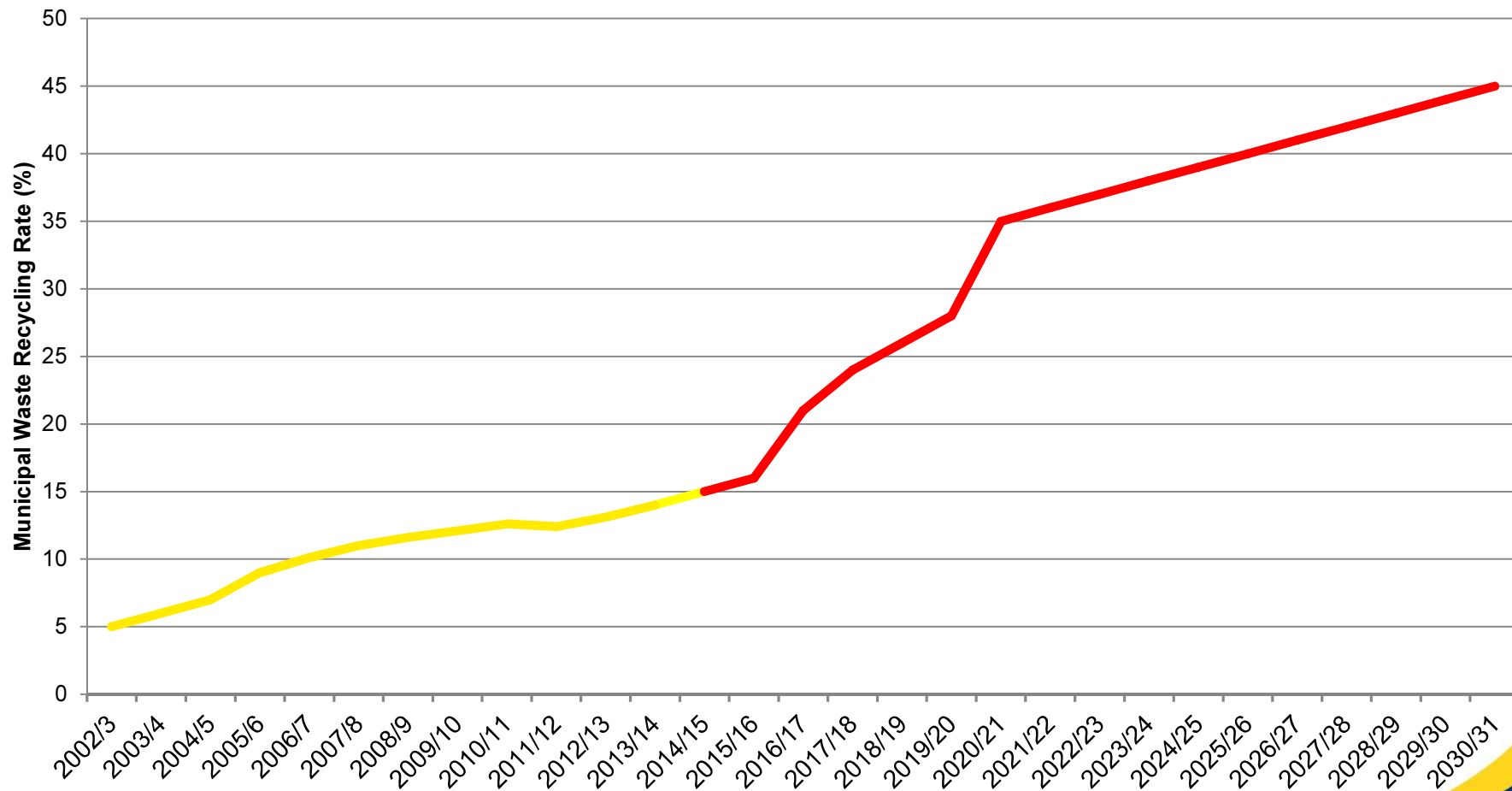
At What Price?

	Grade / material / type of facility	Median	Range
Materials Recovery Facility (Recycling)	All	£10	-£100 to £96
	Contracts starting in 2013 or later	£0	-£43 to £96
Organics	Open-air windrow (OAW)	£24	£6 to £63
	In-vessel composting (IVC)	£46	£8 to £66
	Anaerobic digestion (AD)	£40	£19 to £63
Mechanical Biological Treatment (MBT)		£84	£25 to £104
Energy from Waste (EfW)	Pre-2000 facilities	£58	£35 to £100
	Post-2000 facilities	£94	£62 to £112
Landfill	Non hazardous waste gate fee incl. Landfill Tax £80 per tonne.	£102	£89 to £130

Treatment/disposal gate fees (£ per tonne) (WRAP 2014)



Municipal Waste Recycling Rates (WCC) actual (yellow) and targets (red) 2002/3 to 2031/2



Timetable

Winter 2014/15 Soft Market Testing

Summer 2015 GLA Sign Off Tender Doc

Summer 2015 Commence Procurement

Summer 2016 Contract Award



Contract Packaging - Proposed

	Tonnage	Duration	Package Options
Residual Waste	160K t	6.5 years (up to 8 year ext.)	Option to split into 2 or 3 lots.
Dry Recyclables	25K t	3.5 years (up to 4 year ext.)	Mixed dry Recyclables, Mixed Glass Mixed Paper and Card
Food Waste	2K t	3.5 years (up to 4 year ext.)	Single lot proposed.



What next?

- Return to Committee when we understand the implications of the tenders



Questions?



City of Westminster