

Contract Extension Green Waste Composting Ref: CPU 3105

The decision seeks to extend an existing 3-year Green Waste contract by exercising the +2-year option related to the original contractor.

This decision aligns with the Council Plan regarding the Council's statutory duty as a Waste Disposal Authority (Unitary Authority) to arrange waste disposal under the Environmental Protection Act (EPA) 1990.

1. Opting to do nothing and letting the contract lapse would breach our Waste Disposal statutory duties.
2. Opting to fully retender is likely to subject the Council to less favourable tonnage disposal rates and possible worsening terms compared to the current contract. The table below indicates the potential pressure through retendering over the remaining 2-year period by comparing competitor contractor tonnage rates with the existing contract disposal rate.

TABLE 1: Comparison of Contractor Green Waste tonnage rates

	Increase in Disposal Rate per tonne (£)	Potential Pressure (£m)
Existing Contractor	-	-
Contractor 1 (includes transport costs)	43.31	1.126
Contractor 2	6.31	0.164

3. Due to current green waste disposal market conditions, it is likely that extension of the existing contract will provide better financial rates and terms than opting to start a full retender at this point. The current contractor has already provided rate freezes and held RPI. Therefore, it is likely that opting for the +2-year extension would provide the Council with better value regarding Green Waste disposal at this point in time.

The expected value of the contract extension can be contained within the current existing resource allocation for Green Waste disposal over the financial periods 22/23 and 23/24 assuming no further MTFP savings are required. This assumes that tonnage processed per annum continues at expected levels.

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