

**Waste and Recycling Committee**

Date: 12 September 2019

Subject: Contracts Update – Part A

Report of: Justin Lomax, Head of Contract Services, Waste and Resources Team

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**PURPOSE OF REPORT**

To update the Committee on performance of the new Waste and Resources and Household Waste Recycling Centre Management Services Contracts that commenced on 1<sup>st</sup> June 2019.

**RECOMMENDATIONS:**

To note and comment on the performance of the contract.

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Comments and/or recommendation from the relevant Overview & Scrutiny Committee

Risk Management – see paragraph 5.1

Legal Considerations – considered in the body of the report

Financial Consequences – Revenue – see paragraph 6.1

Financial Consequences – Capital – see paragraph 6.1

**BACKGROUND PAPERS:**

Report to the Waste & Resources Committee, 18 July 2019.

<b>TRACKING/PROCESS</b>	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:	No
<b>EXEMPTION FROM CALL IN</b>	
Are there any aspects in this report which means it should be considered to be exempt from call in by Overview and Scrutiny on the grounds of urgency?	N/A

## 1. INTRODUCTION

- 1.1 This report provides the Waste and Recycling Committee with an overview of performance of the Waste and Resources Management Services (WRMS) and the Household Waste Recycling Centre Management Services (HWRCMS) Contracts, with updates on key issues currently affecting the waste management services during this period.
- 1.2 Performance reporting provided uses verified data to the end of June 2019 (month 1 of the new Contracts).
- 1.3 An update of contract issues and developments is also provided, with description of how these have affected contract performance.

## 2. CONTRACT PERFORMANCE

- 2.1 Performance of the new Contracts is monitored on a monthly basis, in arrears, via the Suez Contract Management Meeting, and the Contractor's Monthly Services Report.
- 2.2 The report uses data for the first Contract month, June 2019.
- 2.3 Key performance categories for the Contracts are set out in the table below:

<b>Month 1 – Combined Contracts Position</b>	<b>Jun-19</b>
<b>Total arisings</b>	92,328
<b>Recycling</b>	44,245
<b>Recycling Rate</b>	47.9%
<b>Landfill disposal</b>	4,814
<b>Diversion Rate</b>	94.8%
<b>HWRC performance</b>	
Recycling Rate (Household Waste)	39.5%
Diversion (Household Waste)	92.8%
Diversion (Total Arising, including rubble)	94%
<b>Runcorn CHP</b>	
<b>RDF to Runcorn</b>	25,983
<b>Longley Lane MRF</b>	
Rejection of Kerbside Recycling Collections (tonnes)	43
MRF Contamination Rate (Commingled)	17%

- 2.4 For the first month of the Contracts, June 2019, the total waste arisings were over 92k tonnes. This continues the trend of overall reduction in the total amount of material

collected by WCAs or delivered to Household Waste Recycling Centres (HWRCs). The overall recycling rate level is at almost 48%.

- 2.5 Diversion of waste from landfill has reached a high level in the first month, with less than 5k tonnes sent to landfill. Diversion levels continue to be assisted by good levels of Refuse Derived Fuel (RDF) production for Runcorn Thermal Power Station (TPS).
- 2.6 HWRCs (9 sites in WRMS and 11 in HWRCMS) have a combined performance of almost 40% recycling rate and over 90% diversion across all sites.
- 2.7 In summary, the first Contract month position shows overall diversion rates reaching nearly 95% and recycling approaching 50%. This has been achieved with continued production of RDF; less waste sent to landfill; and lower overall arisings.
- 2.8 Contamination levels of kerbside collected recyclates, from unacceptable materials extracted by the MRF process, are just over 17%, which is lower than last year's running average (which was approaching 19%). The tonnage of materials rejected at the point of reception, from collected WCA loads was 43 tonnes, significantly lower than the previous year's monthly average of c.70 tonnes. Efforts continue to communicate the importance of accurate recycling by residents, with ongoing liaison group meetings with WCAs and targeted campaigns.

### **3. HEALTH AND SAFETY**

- 3.1 Health and Safety statistics are provided monthly in the Contractor Monthly Services Report and are considered at the monthly Suez Contract Management meeting.
  - 3.1.1 Health and Safety data is reported in key categories, separating incidents involving the Contractor staff and operations, from those involving members of the public (MoP), plus a Near Miss category which is separated to show a separate column for issues listed as Observations. Near misses are defined as 'unplanned events that have the potential to cause, but do not actually result in, injury to a person or damage to the environment or equipment'. In contrast, an Observation is defined as 'an unsafe act or condition, when nothing has actually occurred, that could have resulted in injury but represents an act or omission that is in its nature unsafe'. Equally, the Observations category is also used to report a safe act or safe condition that could cause improved conditions or encourage Best Practice.
- 3.2 For the month of June 2019, there were 2 accidents reported, with no RIDDORS. There were 21 Near Miss events reported.

### **4. FACILITY MODIFICATIONS UPDATE**

- 4.1 The works being undertaken by GMCA at the Cobden St and Bredbury Parkway facilities are progressing. Cobden St was due for completion of commissioning in August 2019. Eggersman were delayed in starting commissioning with waste due to software issues. These have now

been resolved and commissioning completion is anticipated for 9<sup>th</sup> September. The tipping hall at Cobden St was handed back on 26<sup>th</sup> August and is now being used for receipt of residual wastes.

4.2 The Raikes Lane Thermal Recovery Facility (TRF) shut down on 26<sup>th</sup> August for Suez to undertake maintenance works and upgrade works consistent with their tender proposals to improve reliability and throughput at the plant. From this date onwards the Raikes Lane site will not be accepting trade waste, charity waste or high-sided HWRC users. This is to improve traffic management, safety and the waste mix processed at the plant. These changes have been communicated with site users and via media advertising with alternate facilities identified.

4.3 Works at Bredbury remain on programme with the civil engineering elements being completed on time and the tipping hall being handed back on 26<sup>th</sup> August. The mechanical and electrical installation works are now underway and due for completion in November 2019.

Works under the Lot 1 contract will take place at Reliance St and Chichester St. The programme dates are as follows:

- Reliance Street - Demolition of existing Dano building and construction of Mechanical Treatment and Reception (MTR) facility, works commence 4<sup>th</sup> September 2019 and complete 18<sup>th</sup> January 2021; and
- Chichester Street - Construction of biowaste transfer loading station (TLS), works commence 7<sup>th</sup> October 2019 and complete 10<sup>th</sup> September 2020.

Progress against programme dates and key milestones will be reported to future meetings of the Committee. Further details on works are provided in the accompanying part B report.

## **5. RISK MANAGEMENT**

5.1 Risks arising from the Services Contracts are reflected in the GMCA Corporate Risk Register.

## **6. FINANCE**

6.1 Revenue and capital budget details associated with the contracts are set out in the budget reports elsewhere on the agenda.