

Waste and Recycling Committee Meeting

Date: 22 July 2020
Subject: Contracts Update – Part A
Report of: Justin Lomax, Head of Contract Services, Waste and Resources Team

PURPOSE OF REPORT

To update the Committee on performance of the Waste and Resource Management Services and Household Waste Recycling Centre Management Services Contracts that commenced on 1st June 2019.

RECOMMENDATIONS:

Members of the Committee are recommended to:

- i. Note and comment on the contract performance, health and safety, HWRC closures and reopening, construction and HWRC works, biowaste procurement and other matters set out in the report.

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

Risk Management - see paragraph 7.1

Legal Considerations – see paragraph 8.1

Financial Consequences – Revenue - see paragraph 8.1

Financial Consequences – Capital - see paragraph 8.1

BACKGROUND PAPERS:

TRACKING/PROCESS	
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
EXEMPTION FROM CALL IN	
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool 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 March 2020, which is the full financial year position for 2019/20 (equating to month 10 of the Suez Contracts).
- 1.3 A progress update on the works at Chichester Street in Rochdale and Reliance Street is provided as well as an update on the implementation of the Household Waste Recycling Centre access restriction policy.

2. CONTRACT PERFORMANCE

- 2.1 This report uses verified data, which at the time of writing was available for the period from April to the end of March 2020. For April and May 2019, the data comprises of the final 2 months of the Interim (Run off) Contract with Viridor; then from June 2019 to March 2020 from the first 6 months of the 2 Contracts with Suez.
- 2.2 Data for the annual position (financial year 2019/20) is provided below, to show the overall position for comparison to the previous year:

Annual Performance Comparison (Year end – April 19 to March 20)	2019 / 2020	2018 / 2019
OVERALL performance		
Total arisings (t)	1,091,055	1,089,655
Recycling Rate (%)	47.25%	45.38%
Landfill Diversion Rate (%)	93.45%	90.60%
HWRC performance		
Recycling Rate (Household Waste) %	41.15%	41.90%
Diversion (Household Waste)	90.66%	74.16%
Diversion (Total Arising, inc. rubble) %	92.21%	78.77%
Longley Lane MRF		
Rejection of Kerbside Recycling Collections (t)	2,063	864
MRF Contamination Rate (Commingled) %	18.53%	18.81%

- 2.3 Total waste arisings were approaching 1.1m tonnes, which is similar to the total for the previous 12 months. However, the recycling rate increased by nearly 2%, which equates to an actual increase of over 20kt of recycled materials compared to the previous year.

- 2.4 Landfill diversion figures continue to progress in the right direction, increasing by c. 3%, with tonnage Landfilled almost 31kt lower than 2018/19 figures, achieving an overall rate of over 93%.
- 2.5 At the HWRCs (across the 2 Contracts = 9 sites in WRMS plus 11 in HWRCMS) the combined recycling rate is over 41%. Whilst the recycling rate is a slight reduction (0.75%) across all HWRC sites, when compared to 2018/19, the overall performance at the HWRCs is significantly improved by the increased landfill diversion rate of over 92% (c.13% increase). The increase in diversion can be attributed to the treatment of HWRC non-recyclable material for use as Solid Recovered Fuel (SRF). The recycling performance was affected by resident behavior during March prior to lockdown being introduced with additional volumes of residual waste being presented and then by closure of the sites on the 24th March.
- 2.6 In summary, the overall performance for both contracts for the financial year April 19 to March 20 gives a diversion rate of over 93% and recycling above 47%, with both positions showing improvement on the previous year.
- 2.7 Contamination levels of kerbside collected recyclates, from unacceptable materials extracted by the MRF process, were slightly lower at c.18%. The tonnage of collected WCA loads materials, rejected at the reception point, was c.2kt, which is a significant year on year increase that can be largely attributed to the stringent quality controls brought about by global market changes.

3. HEALTH AND SAFETY

- 3.1 Health and Safety statistics are provided monthly in the Contractor Monthly Services Reports for each Contract and are considered at the monthly Suez Contract Management meeting.
- 3.2 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. Near miss, Incident and Notifiable Incident data is collected centrally and analysed to feed into local, regional and national lessons learned across the Contractor organisation and communicated to all staff.
- 3.3 There have been 6 RIDDOR incidents in the year from April 2019 to March 2020. The Committee were updated on RIDDOR incidents up to October 2019 at previous meetings. Since then there have been 3 further Reportable incidents. Each incident was fully investigated and procedures reviewed to establish lessons learnt and prevent future recurrence.

4. HWRC CLOSURES / REOPENING OVERVIEW

- 4.1 All GMCA Household Waste Recycling Centres (HWRCs) closed on 24th March in order to comply with Government guidance on essential reasons to leave the house during the initial 3 week lock down period. GMCA was not unique in taking this approach to HWRCs, the position nationally was that most recycling centres were closed pending review of the lockdown restrictions.

4.2 Defra produced guidance on 7th April setting out its' view on how HWRCs could reopen and also amended the legislation to enable a trip to an HWRC to be included as a valid reason to leave the house. Following these changes plans were developed to reopen the sites on a phased basis that accounted for:

- Availability of staff resources to operate the sites;
- Demand management to control traffic build up on the highway adjacent to sites;
- Availability of outlets for materials; and
- Maintaining safety of staff and site users through social distancing measures.

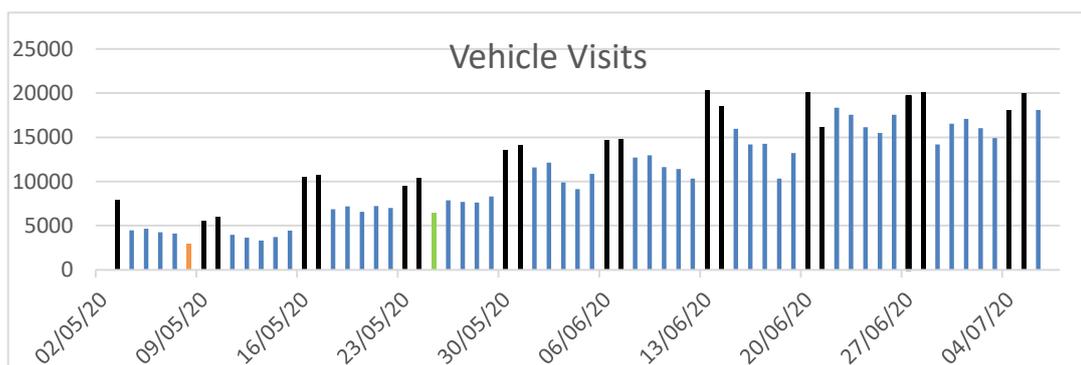
4.3 The phased approach commenced with 16 sites reopening on 2nd May for general waste/bags of rubbish only with reduced opening hours of 0800 to 1800 (as compared to normal summer opening hours of 0800 – 2000). Demand was managed through the use of allocated days according to odd and even number plates. Traffic management plans were put in place at all sites to alleviate queues on the highway.

4.4 From 16th May, additional commodities of garden waste, cardboard and wood were accepted. The range of commodities was expanded further on 30th May and 13th June with all commodities (except textiles due to import restrictions affecting the international market for textiles) being available and all sites being open from 27th June.

4.5 The number of visits to the HWRCs has increased steadily since reopening, the data is set out below for the months pre COVID 19 for comparison purposes.

Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20
525,780	466,248	383,158	357,148	0	207,920	410,022

4.6 The HWRC access policy was introduced on 10th February 2020 and will have reduced visits in that month. The sites closed on 24th March which will be reflected in the March 20 figures above. When the sites reopened in May, large vans and trailers were not permitted and this restriction is reflected in the May and June figures. While the overall vehicle numbers may be lower in June compared to previous months, the pattern of use is different with high visit numbers recorded Monday to Friday rather than just at weekends reflecting the increased numbers of residents at home during lockdown. Also, all sites were not open 7 days per week until 27th June meaning that the total number of visits has been through a smaller number of sites to normal. The daily visits are set out in the graph below for the period 2nd May to 6th July. This shows a steady increase in use as more commodities have been introduced and more sites opened. By the end of June/beginning of July the pattern appears to be plateauing with typical weekend visits in the region of 38,000 across the network of sites which is not untypical for this time of year.



4.7 The levels of complaints associated with the HWRC closure have been low throughout the period compared to the level of use. The summary position on complaints relating to HWRCs prior to COVID and during is as follows:

- December 19 – 6 complaints;
- January 20 – 5 complaints;
- February 20 – 13 complaints;
- March 20 – 8 complaints;
- April 20 – 0 complaints;
- May 20 – 1 complaint; and
- June 20 – 2 complaints.

4.8 Traffic management has been critical to the successful reopening of the HWRCs given the limited queuing capacity for vehicles on sites and the reduced throughput due to social distancing measures in the initial stage of reopening. Support was provided from districts on the provision of traffic management plans, signage and staff. The resources were drawn from a mix of internal staff volunteers from districts and external organisations. Total costs associated with traffic management between 2nd May and 30th June were £220k and these will be included in the GMCA waste related claim to central Government for COVID 19 additional expenditure.

4.9 Given the closure in April and subsequent restrictions on materials accepted over the course of May and June, the tonnage of material received in this period has been affected. During May, the only materials accepted were residual waste, wood, garden waste and mixed paper/card. The data in the tables below compares the tonnages of these materials received at the sites in March/April May 20 and compares them to the same months in 2019 for the HWRCMS and WRMS contracts. Data for May is currently being verified.

HWRCMS	Mar-19	Mar-20	Apr-19	Apr-20	May-19	May-20**	Total Mar-19 to May-19	Total Mar-20 to May-20
Residual Total	5,155.22	3,688.53	6,006.84	10.59	5,487.08	3,277.40	16,649.14	6,976.52
Residual to Thermal Recovery	3,686.12	3,319.15	3,483.10	0.00	3,175.52	3,144.64	10,344.74	6,463.79
Residual to Disposal	1,469.10	369.38	2,523.74	10.59	2,311.56	132.76	6,304.40	512.73
Wood	1,934.76	1,565.10	2,603.44	0.00	2,350.44	701.42	6,888.64	2,266.52
MPC	339.94	320.66	367.96	0.00	391.14	135.55	1,099.04	456.21
Green	583.50	427.84	1,165.08	0.00	1,246.68	310.72	2,995.26	738.56
Total	8,013.42	6,002.13	10,143.32	10.59	9,475.34	4,425.09	27,632.08	10,437.81

WRMS HWRC	Mar-19	Mar-20	Apr-19	Apr-20	May-19	May-20 **	Total Mar-19 to May-19	Total Mar-20 to May-20
Residual Total	6,140.56	4,455.70	7,026.95	43.27	6,195.69	2,280.43	19,363.20	6,779.40
Residual to Thermal Recovery	3,961.84	4,345.14	3,621.52	26.00	2,769.16	2,280.43	10,352.52	6,651.57
Residual to Disposal	2,178.72	110.56	3,405.43	17.27	3,426.53	0.00	9,010.68	127.83
Wood	1,988.56	1,480.66	2,558.30	0.00	2,334.38	463.94	6,881.24	1,944.60
MPC	295.04	167.72	321.14	0.32	243.28	48.34	859.46	216.38
Green	493.84	428.12	956.96	6.26	947.08	119.88	2,397.88	554.26
Total	8,918.00	6,532.20	10,863.35	49.85	9,720.43	2,912.59	29,501.78	9,494.64

4.10 In both contracts, the data shows a reduction in March reflecting the closure of sites on 24th March and negligible tonnages in April. The April figures reflect the sites being closed and the tonnages are final waste movements out of the sites to clear them following closure. Once the sites reopened in May the tonnage throughput is much lower than the previous year and reflects the lower than normal site useage due to social distancing measures and many residents continuing to remain at home as lockdown measures were eased.

5. CONSTRUCTION AND WORKS UPDATE

5.1 Impact of Coronavirus between March and May 2020

5.1.1 Due to lockdown restrictions introduced by the Government the main contractor took the decision to close down work at sites from the 24th of March which will now impact of completion of each scheme. The main contractor returned to site at Reliance Street on the 4th of May and at Chichester Street on the 11th of May (circa 7 week delay for each scheme).

5.1.2 Additional health and safety provisions in line with UK construction guidance have been applied by the main contractor to implement social distancing and ensure good hygiene principals were applied to each site. For example, adaptations to site offices and accommodation have been implemented to reduce unnecessary co-habitation, all contractors have submitted revised risk assessments and site procedures following new guidance policies from Public Health England and the Construction Leadership Council.

5.2 Programme Delays

5.2.1 Current Programme estimates are based on the Coronavirus lockdown delays and modified working procedures moving forward by the Mina contractor. The Chichester Street programme currently indicates a 15 week delay on the handover to operations and on the Planned Completion Dates. We believe this date can be improved by a revision of testing requirements to achieve the handover. Initial considerations to revise the test requirements are currently being reviewed.

5.2.2 At Reliance Street the latest programme indicates a 13 week delay in the Readiness for Plant installation. Delays applied to this scheme appear conservative and reflect a cautious approach to achieving delivery. Similar to Chichester Street we feel it is possible to minimise delays and we have requested further programme updates from the main contractor.

5.3 Site Updates

5.3.1 Chichester Street

5.3.2 Although delays incurred by Coronavirus are suggesting a 13 week delay GMCA are confident that completion and delivery can be achieved by the end of 2020 assuming appropriate revisions to the building hand over and testing criteria can be agreed.

5.3.3 Progress achieved in May:

- Three sections of vehicle manoeuvring hardstanding cast;
- Blinding to remaining part of external slabs completed;

- Plinth bases for pump house, electrical kiosk and tank base poured;
- Electrical containment installation commenced;
- Fire alarm installation commenced;
- Lighting gantries and busbars commenced;
- Leachate drain chamber extended; and
- Water supply to wheel wash area installed.

5.3.4 Next sequence of work from June onwards:

- Completion of pump house fit out;
- Completion of electrical kiosk fit out;
- Commencement of water tank installation;
- Installation of new fire main;
- Electrical works continuation inside TLS building;
- Fire detection system installation;
- Steelwork fabrication for south elevation doors and roller shutter door; and
- Completion of concrete works to external yard.

5.3.5 Chichester Street - Site Photographs

South Elevation and Hard Standing



Water Tank and Pump House Base



5.3.6 Reliance Street

5.3.7 Demolition works at Reliance Street recommenced on the 5th May 2020, following changes to the site set up. Due to the nature of the works, only the demolition subcontractor is currently onsite.

5.3.8 Progress achieved in May:

- Breaking out of the slabs to the upper part of the site;
- Breaking out of bunker bases;
- Breaking out top part of the bunker walls;
- Dismantling, removal and storage of sheeting gantry;
- Infilling of bunkers (pits) to new formation level;
- Construction of a piling mattress; and
- All demolition works are now complete.

5.3.9 Next Sequence of Work from June Onwards:

- Commencement of piling works;
- Commencement of Drainage works; and
- Installation of concrete base of shredder pit.

5.3.10 Reliance Street - Site Photographs

Bunker (Pit) Infilling



Demolition - Material Separation



6. BIOWASTE PROCUREMENT UPDATE

- 6.1 Members will recall that at the January 2020 meeting approval was given to commence the procurement of six replacement biowaste treatment 'packages'. These 'B packages' are in addition to a number of larger 'A packages' and deal with the treatment of increased seasonal tonnages and total around 36,000 tonnes per annum.
- 6.2 In early 2019 a framework of biowaste treatment suppliers was developed. The suppliers underwent a competitive process to be admitted onto the framework. From that framework suppliers were invited to bid for both A and B packages. The eight A packages were let for 38 months and the six B packages for 14 months. In June of 2020 the B packages expired so needed to be re-let.
- 6.3 The initial framework was created to simplify the re-procurement process meaning that to re-let the B packages all we had to do was invite the framework contractors to submit new prices and re-confirm regulatory compliance. The evaluation process took into consideration each bidders ability to accommodate the additional tonnages, the gate fee tendered and the cost to the Authority of transporting material to the facility. If a supplier had available capacity they could tender for as many packages (of a maximum of 6,051 tonnes per annum each) as they could accommodate.
- 6.4 All nine framework contractors were invited to submit tenders with seven returning prices (all tenders were compliant with pass/fail elements of the evaluation). One of the bidders was able to offer a new facility in Crewe, Cheshire otherwise the facilities proposed were ones familiar to the Authority. Some of these facilities are a considerable distance from Greater Manchester.
- 6.5 The evaluation of gate fee plus benchmark haulage cost identified two suppliers providing the lowest combined price – Biowise Limited and Ryedale Organics Limited. Taking available capacity at each facility into account, Biowise Limited were awarded four packages and Ryedale Organics the remaining two packages.
- 6.6 It was hoped that the procurement would generate savings but this could not be taken for granted. Based on the contract maximum tonnages the new contracts could result in a saving of over £350k per annum compared to the previous packages (around £9.70 a tonne equivalent).
- 6.7 An additional benefit is that a significant proportion of Greater Manchester's 'seasonal' biowaste will now be treated closer to the conurbation in Crewe much reducing the 'waste miles' travelled.

7. RISK MANAGEMENT

7.1 Risks arising from the WRMS and HWRCMS contracts are reflected in the GMCA Corporate Risk Register.

8. FINANCE AND LEGAL CONSIDERATIONS

8.1 Activities described in this report are in line with revenue and capital budgets for 2019/20 and are in accordance with the terms of the WRMS and HWRCMS contracts.