Development of Consortia Contracts for the Sale of Recyclables

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Introduction

- Background
- Key objectives
- Consortia contracts – summary
- Financial impact
- Key learning points
- Conclusions / Next Steps

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Background

- Partnership formed in 2000
- 10 districts + Herts CC
- Collections – sacks to AWC
- Joint Waste Strategy 2007
- Memorandum of Understanding 2008
- Intermediate Inter Authority Agreement – July 2009

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Key Objectives

- Achieve savings / generate additional income / realise efficiencies
- Promote joint working whilst maintaining individual flexibility
- Simplify client / contractor relationships
- Create ‘critical mass’ contracts that stimulate market interest
- Generate opportunities for service alignment between partners
- Develop markets for new materials

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Consortia Contracts - summary

Summary	Paper Consortium	Packaging Consortium
Pre-tender situation	6 authorities in a paper bank consortium	5 authorities in a glass bank consortium
Tender method	competitive dialogue	
Tender structure	single 'lot'	multiple 'lots'
Participants	All 11 Hertfordshire Waste Authorities Welwyn Hatfield act as lead authority for the HWP Service Level Agreements between WHBC and others	
Start / End Date	Phased starts Dec 2008 – Nov 2012	Phased Starts Feb 2010 – Jan 2013
Tonnage (per annum)	33,750 tonnes	33,400 tonnes

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Financial Impact

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Year	Paper Consortium		Packaging Consortium	
	Tonnage	**Extra Income**	**Tonnage**	**Extra Income**
2008/09	4,107	£197,345	---	---
2009/10	25,346	£1,493,697	---	---
2010/11	32,013	£1,985,724	33,400	£555,000
2011/12	33,760	£2,107,323	33,400	£555,000
Totals	**162,026 tonnes**		**£6,894,089**	

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Key learning points - multiple lots

- 1. All plastic (loose)
- 2. All plastic (bailed)
- 3. Glass - brown
- 4. Glass - clear
- 5. Glass - green
- 6. Glass - mixed
- 7. Aluminium cans
- 8. Steel cans
- 9. Mixed cans
- 10. Glass and cans
- 11. Glass, cans and plastic
- 12. Plastic bottles - loose
- 13. Plastic bottles - bailed
- 14. Plastic and glass
- 15. Plastic and cans

Key learning points – phased starts

Authority	Dec - 08	Jan - 09	Feb-09	Mar - 09	Apr - 09	May - 09	Jun - 09	Jul - 09	Aug - 09	Sep - 09	Oct-09	Nov - 09	Dec - 09	Jan - 10	Feb - 10	Mar - 10	Apr - 10	May - 10
Broxbourne	304	298	252	276	264	256	237	274	245	278	275	231	300	215	267	294	264	264
Dacorum	0	0	0	0	463	420	462	465	440	502	489	486	415	540	466	498	498	383
East Herts	39	43	35	36	36	36	29	40	33	36	38	31	29	37	30	33	35	25
Hertsmere	0	0	0	0	34	33	26	34	22	30	34	25	20	27	27	26	24	25
Herts C C	0	0	0	0	179	225	138	177	261	191	150	192	142	237	180	156	170	193
North Herts	402	507	486	604	540	429	128	322	541	433	431	443	457	452	435	462	476	370
St Albans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27
Stevenage	0	0	0	0	0	0	0	0	180	232	229	257	195	202	205	209	233	207
3 Rivers	0	0	0	0	0	0	0	0	0	0	0	267	274	270	270	270	260	260
Watford	226	212	181	207	197	193	295	279	117	146	96	121	95	96	544	305	198	226
Welwyn	0	0	0	0	263	229	236	254	214	261	267	265	170	306	234	276	258	218

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Key learning points – expanded markets

- ***Plastic Specification No. 1 :-***

- Shrink Wrap
- Carrier bags
- Yoghurt Pots
- Flowers Pots
- Plastic butter / margarine tubs
- Food trays

- ***Tetra Packs***

- ***Plastic Specification No. 2 :-***

- Childrens toys
- Garden furniture
- Garden hoses
- Water butts
- Storage containers
- Large ingredient tubs
- Bakery / bread trays
- Wheelie bins & bottle banks

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Key learning points - summary

- Different contract end dates are not a problem
- 3 authorities have increased the range of plastics collected
- ‘Lots’ – balance between flexibility and service alignment
- Balance ‘local sovereignty’ with longer term strategic needs

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Conclusion / Next Steps

- **Contracts –**
  - Paper Consortium… - 33,750 tonnes from 11 authorities
  - Packaging Consortium… - 33,400 tonnes from 11 authorities
  - Total income… - £4.36m per annum

- **Timescales –**
  - Paper Consortium… - Dec 08 to Nov 11 / Nov 12 with extension
  - Packaging Consortium… - Feb 10 to Jan 12 / Jan 13 with extension

- **Next steps –**
  - Combining 2 consortiums - 65,000 - 70,000 tonnes / 3 years + 2 ext.
  - Competitive Dialogue - tender to be let in 'lots'
  - Target start date - April 2012/ 2013 (subject to extension)
  - Putting together textiles consortium - target launch date April 2011

- **Creation of and / or joining similar consortiums in the South East**

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THANK YOU

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