

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

15 January 2010

Waste Treatment Project Update

1	Purpose of Report
1.1	To update the OWP on progress on the residual waste treatment procurement project.
2	Background
2.1	Diversion of waste from landfill is essential to reduce the risk of substantial fines for exceeding targets limiting the amount of biodegradable waste that is landfilled. It is also essential to reduce the amount of methane gas produced. Methane gas is a greenhouse gas over 20 times more powerful than CO ₂ .
2.2	As previously reported the technical solutions being offered are both incineration with energy recovery and the possibility of combined heat and power. Both use established technology providers with a proven track record in incineration.
2.3	The new contract will only be for the treatment of residual waste that is remaining after recycling and composting. Oxfordshire is currently achieving a county wide recycling and composting rate of about 47% and is on course to achieve if not exceed the target of 55% recycling and composting by 2020 in the Oxfordshire Joint Municipal Waste Strategy. Alongside the introduction of food waste treatment and food waste collections from households by the district councils, having in place residual waste treatment will result in Oxfordshire achieving what the Government has recently described as zero waste. This will mean virtually no untreated municipal waste being landfilled.
3	Progress and future actions
3.1	Following a detailed evaluation and clarification process the evaluation of the final tenders received from Viridor and WRG was concluded. The evaluation demonstrated that the tender submitted by Viridor was the best in relation to the evaluation criteria and that Viridor had made an acceptable offer in relation to price and risk, whereas the tender submitted by WRG did not provide value for money.
3.2	On 7 September the County Council's Cabinet was asked to endorse the officer recommendation to select Viridor as the preferred bidder for the residual waste treatment contract. After full and careful consideration of the issues Cabinet unanimously endorsed the recommendation.
3.3	Since September Viridor's selection as preferred bidder has been formalised and the company has agreed and signed a letter setting out the terms and conditions of their appointment. Fine tuning of the contract has now commenced with Viridor to clarify and confirm their commitments and to prepare the final contract documentation. The County Council will then need to formally decide to enter into contract. The contract is expected to be awarded in Spring 2010.
3.4	The contract will require that all Oxfordshire's residual municipal waste that is processable

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	<p>must be delivered to the EfW plant for treatment. This is known as exclusivity and means that there will be no requirement to guarantee the provision of a specified minimum tonnage. This means that waste reduction, recycling and composting rates can continue to improve without penalty through this contract. It is currently anticipated that there will be a need to treat about 150,000 tonnes of residual waste per year when the facility starts operation.</p>
3.5	<p>Planning permission and Environment Agency permits will be required before any facility can be built. The county council as waste planning authority will determine the planning application unless it is called in by the Secretary of State. The planning and procurement processes are kept entirely separate in terms of key officer, teams and governance, with the Cabinet taking decisions on the procurement process and the Planning and Regulation Committee determining the planning applications. Planning decisions are made on planning grounds and are guided by local, regional and national planning policy and other material planning considerations. Planning and Regulation Committee considered both Viridor's and WRG's applications at their meeting on 19 October and determined to refuse both applications.</p>
3.6	<p>The project team have been considering with Viridor the approach to taking planning forward. Viridor have now submitted an appeal to the Planning Inspectorate. As the Waste Disposal Authority we will be working with Viridor to prepare evidence for the public inquiry, specifically on the issue of the need for the facility. This will be entirely independent and separate from the work of the Planning Authority in defending the appeal. The date for a public inquiry is not yet known.</p> <p>More information about the project is available on the Council's web site – www.oxfordshire.gov.uk/alternativestolandfill</p>
4	Financial, Risk and Staff Implications
4.1	<p>Internal and external resources have been made available to support the procurement project as required.</p>
4.2	<p>The project is being managed using the County Council's project methodology and documentation including a risk register.</p>
5	Areas Affected
5.1	<p>County wide</p>
6	Effect on Strategic Policies
6.1	<p>The procurement of waste treatment capacity is in accordance with, and implements, policy 9 in the Joint Municipal Waste Management Strategy which states that the OWP will provide a system for recovering value from residual wastes.</p>
7	Options or Alternatives
7.1	<p>N/A</p>

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8	Recommendations		
8.1	To note and support the progress made on the procurement of residual waste treatment.		
9	Reasons for Recommendations		
9.1	To demonstrate OWP support for the procurement of residual waste treatment.		
10	Contact Officer		
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