

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

11 July 2008

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 fines for exceeding targets for limiting the amount of biodegradable waste that is landfilled under the Landfill Allowance Trading Scheme (LATS). It is also essential to reduce the amount of methane gas produced. Methane gas is a greenhouse gas over 20 times more powerful than CO₂. The County Council is proceeding with the procurement of waste treatment capacity for residual waste.
- 2.2 The County Council received submissions from the Invitation to Submit Outline Solutions (ISOS) stage of the competitive dialogue process last year. After thorough evaluation of the ISOS solutions, two leading solutions emerged, and two participants were invited to submit detailed solutions. These were:-
- Viridor Waste Management Ltd, with a solution based at Ardley landfill site
 - Waste Recycling Group Ltd, with a solution based at Sutton Courtenay landfill site
- 2.3 The technical solutions being offered are very similar. Both are incineration with energy recovery with a capacity of approximately 300,000 tonnes per annum. Both use established technology providers with a proven track record in incineration. Both are investigating the possibilities of providing combined heat and power solutions which could deliver environmental and cost benefits.
- 2.4 Both participants are allowing capacity to treat commercial and industrial waste. This will provide cost benefits to Oxfordshire and mean that even less waste will be sent to landfill and therefore increasing the environmental benefits delivered.

3 Progress and future actions

- 3.1 The competitive dialogue process has been progressing well with constructive dialogue meetings with both participants. Both participants are developing their solutions well and the solutions appear to be deliverable. Both are keen to win Oxfordshire's business.
- 3.2 There have been specific dialogue meetings, including a district council representative, on the definition of contract waste which will detail exactly what wastes will be treated by incineration. The exact detail of contract waste will not be known until detailed submissions are received. However, it is clear that there are specific wastes which are not suitable for energy recovery. This may have some implications for how waste is collected. Nothing seen so far has indicated that this will cause difficulties and we will continue to liaise closely to ensure the future segregation of any difficult wastes is effected efficiently.
- 3.3 The deadline for detailed submissions is 25 July. This will be followed by a period of detailed

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evaluation against financial, technical (including environmental) and legal criteria. The best solutions from each participant will be taken forward for further dialogue and resolution of all outstanding issues before a call for final tenders is issued. A preferred bidder will then be selected, and a contract is expected to be awarded in spring 2009

- 3.4 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. Determination will be independent from the procurement process. Planning decisions are made on planning grounds and are guided by local, regional and national planning policy and other material planning considerations. There will be public consultation, including with local councils, on any planning application. Planning applications are expected to be submitted by WRG in July and by Viridor in September.

4 Financial, Risk and Staff Implications

- 4.1 Additional internal and external resources have been made available to support the procurement projects.
- 4.2 The projects are being managed using the County Councils project methodology and documentation. This includes separate risk registers.
- 4.3 To ensure the project progresses, Andrew Pau, Head of Waste Management will be spending more dedicated time of this procurement. Carolyn Durrant, Waste Reduction Manager will be acting as Interim Head of Waste Management.

5 Areas Affected

- 5.1 County wide

6 Effect on Strategic Policies

- 6.1 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 in order to meet LATS targets.

7 Options or Alternatives

- 7.1 N/A

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.

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