

# Cabinet Report



Listening Learning Leading

Report of Head of Housing and Environment

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Wards affected: All

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To: **South Oxfordshire Cabinet Meeting**

Dates: 28 November 2024

## Waste Transfer Station Contract Award

### Recommendation(s)

(a) That Cabinet approves the award of the contract for a new transfer station facility to handle the council's dry mixed recycling (DMR) to the preferred bidder. The contract would run for a minimum of five years, starting in June 2026.

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes	Yes	Yes	No
Signing off officer	Emma Creed	Nicholas Bennett	Kim Hall	Lorne Grove

## Purpose of report

1. The purpose of this report is to seek approval to award a contract for the provision of a waste transfer station to the preferred bidder, as shown in confidential Appendix 1.

## Corporate objectives

2.

South:

- Action on climate emergency
- Protect and restore our natural world

## Background

3. The councils as waste collection authorities (WCA) operate a shared household waste collection service. This is currently subject to a contractual arrangement with Biffa which runs until the end of June 2026, who provide a vehicle depot and transfer station (a facility for bulking) at Culham. This site is earmarked for redevelopment and access to a new vehicle depot and transfer facility will therefore be required from June 2026. The provision of the two facilities has been split for operational and commercial reasons.
4. The current waste transfer facilities are only used for Dry Mixed Recyclate (DMR) which is the co-mingled recyclable waste stream collected from households. The non-recyclable (residual), garden waste and food waste all have existing in-district transfer points which are managed by Oxfordshire County Council as the waste disposal authority (WDA) and aren't therefore included in this contract or as part of this report.
5. The transfer facility makes up a key piece of infrastructure required for the effective operation of waste collection services to residents. The transfer facility will handle DMR as it is transferred from the Rear Compaction Vehicles (RCVs), bulked up and then loaded onto Heavy Goods Vehicles (HGVs) to be transported to a Material Recovery Facility (MRF) for reprocessing. Without it, each collection vehicle would be required to deliver the collected DMR directly to a MRF. However, because there are no operating MRFs within Oxfordshire, this would make the service undeliverable due to the distances involved and increase in cost, time and carbon to the service.
6. The cabinet papers, dated: 3 February 2022 (South), delegated authority to the Deputy Chief Executive – Place to explore options to secure a waste depot and other necessary associated infrastructure. An ICMD in May 2024 outlined the reasons why a procurement should be undertaken rather than the councils develop their own transfer station and secured approval to go out to procurement for the provision of access to a transfer element and associated contract. [South](#)
7. The Waste Resources and Street Cleansing Strategy, the waste vehicle depot used to operate from in 2026, the contract for future household waste collection and street cleansing services, and the reprocessing of dry mixed recycling, are all separate pieces of work and therefore not included as part of this report, but together with the DMR transfer facility make up the key components of the future household waste and street cleansing services.

## Main points

8. To identify the contractors with transfer station solutions located in either district, an open procurement was undertaken inviting bidders to submit a proposal. The opportunity was placed on our procurement portal and was viewed by at least five parties. The closing dates for bids was 6 September 2024 and officers then assessed the viability of the responses, scored and moderated the options. Details of this can be found in the confidential Appendix 1.
9. The preferred bidder from this process is shown in Appendix 1, and it is recommended that the council, jointly with Vale, enter into a contract with them for the provision of transfer station facilities, which would begin in June 2026. Further details can be found within the confidential Appendix 1.
10. Subject to final contract agreement with the preferred bidder, the contract would run for a minimum period of five years, with the option to extend it for up to a further three years, to make a total of eight years.

## Alternatives considered

11. The council could place the provision of a transfer station within the main waste collection and street cleansing contract, which is due to go to market shortly in December 2024/January 2025. However, this would present significant risks in deliverability and cost. Deliverability, because it would require a bidder identifying and securing a site at short notice and cost, because of the limited availability and high price for suitable land within the districts.
12. The council could look to develop their own transfer station. However, this would involve finding an affordable site, securing planning permission and waste licence which is not achievable within the time available.

## Financial Implications

13. There are base budgets in both South and Vale accounts to cover the current running costs of the waste collection and street cleansing service, along with the waste vehicle depot costs, waste transfer station, DMR haulage and re-processing costs. These four components will be procured separately. Therefore, all four contract values will need to be accumulated to ensure that the total cost falls within the council's budget envelope.
14. The total contract price for the preferred bid is £1,107,400 over the initial five-year period. Further details can be found within the confidential Appendix 1.
15. Costs will be apportioned between each council under the same apportionment model as the main waste collection and street cleansing contract. This is based upon property numbers, which result is approximately 52% South, 48% Vale

## Legal Implications

16. This contract is subject to the usual legal duties as to procurement and contractual compliance, in the context of a key statutory service and continuing engagement with legal will be essential to meet these duties.

## **Climate and ecological impact implications**

17. As agreed with the Climate Team, the use of the Climate Impact Assessment Tool is not required for the decision set out in this report. The biggest environmental cost is in journey times for what are currently mainly diesel refuse collection vehicles collecting and dropping DMR for transfer to a MRF. The location identified is centrally placed for the joint service operation and will therefore not lead to more fossil fuels being burnt than necessary. As a part of the procurement exercise, environmental concerns were scrutinised, and the preferred bidders' responses were considered sufficient to satisfy the Climate Team.

## **Equalities implications**

18. The operation of a transfer station requires only a few number of staff and is a relatively simple and repetitive process (loading and unloading) with no discernible equality impacts for staff or the public.

## **Risks**

19. The largest risk to the council is in not securing this key piece of waste infrastructure ready for the move of the depot and start of a new waste and street cleansing contract in June 2026.

20. There are reputational and financial risks associated with not ensuring provision of residents' statutory waste collection service.

## **Other Implications**

21. None

## **Conclusion**

22. A waste transfer facility for the district's DMR is essential infrastructure to provide continuity of the waste collection service for residents when the Biffa contract ends in June 2026. A procurement process has been carried out and preferred bidder identified, with the recommendation to award the contract this bidder.

## **Background Papers**

Appendix one (confidential) on the financial details of the preferred bidder.