



Report of: Business Officer (Waste Procurements and Contract Management)

Report to: Chief Officer for Environmental Services

Date: 24th September 2020

**Subject: Extension of contract for the Collection and recycling of textiles
(DN208342)**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4(3) Appendix number: Appendix 1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- The current contract is held with Nathans Wastesavers and deals with the collection and recycling of textiles (DN208342) from 8 council Household Waste Recycling Centres (HWRC) and from a network of city wide bring site locations dealing with 681 tonnes of textiles.
- Under the current arrangement the council receives a significant income from this material (See appendix 1).
- The current contract period expires 5th October 2020 and has the option to extend by way of 2 x 12 month extensions of which one 12 month extension has already been taken.
- Through the contracts teams ongoing monitoring of the sector and dialogue with the incumbent provider along with information gathered from a market sounding benchmarking exercise carried out. The trends and information received highlighted the recovered textiles sector is going through a particular downturn affecting both volumes and price for the materials due the current effects of the COVID pandemic.
- Officers have complied with CPRs 21.1 and 21.2 and ensured that during the extension period the council continues to receive value for money for the materials.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The collection and subsequent recycling of unwanted textiles from the residents of Leeds contribute in increasing the recycling rate in Leeds. Which is one of the KPIs for the sustainable infrastructure commitment from the Best Council Plan.

3. Resource Implications

- There are no resource implications arising from this decision.

Recommendations

- a) The Chief Officer for Environmental services is recommended to note the content of this report and approve the second 12 month extension of the contract (DN208342) which deals with textile collection and recycling from council and bring sites in Leeds. Securing arrangements until 5th October 2021.

1. Purpose of this report

- 1.1 Contract Procedure Rule (CPR) 21.1 states prior to any delegated decision it is a requirement to establish whether the extension will deliver best value. CPR 21.2 also states that any contract extension must be approved by the relevant chief officer.

2. Background information

- 2.1 The current contract that deals with the collection and recycling of textiles – (DN208342) from 8 council Household Waste Recycling Centres (HWRC) and from city wide bring sites. The contract was let under 'licence to occupy' council land on 6th October 2014 and has the option within to extend in 2 x 12 month options. The council have already exercised one of the 12 months options to extend.

3. Main issues

- 3.1 The contract deals with a total of around 681 tonnes of textiles per year, successfully diverting unwanted textiles from the residual waste stream to be ultimately recycled or re-used.
- 3.2 Recently thanks to the recent COVID pandemic recovered textiles sector has gone through a turbulent period causing market prices to fall to the lowest point in recent history.
- 3.3 The most notable of these causes is a decision by some companies to actively divest of all non-contracted mid and low grade textile agreements, or renegotiate the existing contracts. The outcome is that there is an overabundance of textiles in the market with a very limited value with only limited outlets for textile material.
- 3.4 In accordance with CPR 21.1 officers sought to benchmark the price offered by Nathans Wastesavers in order to take up the extension period and contacted organisations through the council's tendering portal YORtender to gather market information and current prices offered for the collection and recycling of textiles.
- 3.5 Subsequently, after evaluating all information and prices received concluded that Nathans Wastesavers still represented value for money to the council.

3.6 Nathans Wastesavers have recently changed the way they deal with the councils textiles and introduced and utilised further sorting technology to maximise reuse of textiles.

3.7 Nathans Wastesavers have since contract start, and throughout the recent COVID pandemic have provided the council with a satisfactory level service and continue to respond to any requests in a timely manner. Nathans Wastesavers also provided extra infrastructure and collections during student exodus periods over the past 3 years collecting a further 32 tonnes.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 It is not considered that the content of this report or the recommendations made will have a significant impact on any particular ward or community, and as such no consultations have taken place.

4.2 Equality and diversity / cohesion and integration

4.2.1 An equality impact screening assessment has been completed and it is not considered that the content of this report or the recommendations made will have any impact on any specific individual or group in terms of equality, diversity, cohesion and integration.

4.3 Council policies and the Best Council Plan

4.3.1 It is paramount that procurements and related procedures in the authority are undertaken with a view to ensuring openness, transparency and fairness. This exercise has been undertaken through a market sounding exercise and so therefore officers have been able to assess whether the option to extend represents best value to the authority. All appropriate governance arrangements have been followed throughout.

4.3.2 The issues being discussed within this report and the subsequent contracts that are being awarded have specific implications with regards the Councils environmental performance and the aspirations stated within our environmental policy where we are aiming for improved environmental protection. The following are all relevant contributors to meeting the needs of this Council policy:

- Preventing pollution and minimising our environmental impact
- Taking steps to reduce carbon emissions
- Improving our resilience to current and future climate change

Climate Emergency

4.3.3 Textiles manufacture is a major contributor to carbon emissions, this contract helps to maintain Leeds City Councils network of bring sites and the collection of unwanted textiles arising from the Council's 8 HWRC's and bring sites in Leeds. The emphasis in procurements of this kind and for these waste streams is to maximise adherence to the waste hierarchy where Re-use and recycling is selected

as the preferred method for dealing with this waste ahead of other waste disposal options.

- 4.3.4 This, alongside prioritising reuse of textiles both in this contract and the 2 re-use shops at Kirkstall and Seacroft HWRCs demonstrates efforts made to combat the climate emergency situation which has been declared in Leeds and contributes towards the Council's aspiration of becoming a carbon neutral city by 2030.

4.4 Resources, procurement and value for money

- 4.4.1 The Textiles contract is an income contract but linked to the Materials Recycling World (MRW) published market prices. In this way as the markets for the materials fluctuate then so does the price we receive. However, by tracking these indices ensures the council receives the proper market value for the materials.
- 4.4.2 The revised price submitted for textiles based on a market price will see an improvement against the budget and actual price 2020/21 (see attached appendix), although this is a fluctuating market and the price can vary up or down on a monthly basis. Current market values however, are 80% down on pre-COVID prices.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The decision is a Significant Operational Decision and is not subject to call in, however the decision will be published by the Council.
- 4.5.2 CPR 21.1 permits the extension of a contract where it is (a) in accordance with the contract terms (b) is made before the expiry date of the contract and (c) will deliver Best Value. Due to the matters set out in this report at sections 1 and 3 above it is considered that these requirements have been met.
- 4.5.3 **Note that by virtue of Access to Information Rules 10.4 (3) The Appendices attached to this report are restricted as confidential. This is on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.**
- 4.5.4 **It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information, as disclosure may prejudice the outcome of the procurement process, whilst the details of the tender proposals within the appendices also contain the financial details/business affairs of individual companies.**

4.6 Risk management

- 4.6.1 If the proposal within this report is not approved then the Council will risk being in a position where no contractual arrangements are in place for dealing with what is a significant waste stream from the HWRC's and a valuable contributor to the City's recycling rate and income stream.
- 4.6.2 A risk register is maintained for each of the contracts held by the service and any risks which are seen to rise throughout its term will be escalated.

4.6.3 If the contract were to lapse then the terms and conditions currently applicable would be at risk of change without notice and the Council would risk the quality of service being reduced without the protection that the condition of contract within a formalised arrangement provides.

5. Conclusions

5.1 The current service provided by Nathans Wastesavers is entirely satisfactory, continues to provide value for money and still remains competitive with regard to price. Furthermore, being part of a larger UK wide textile processing and merchant company utilising separation technology enables Nathans Wastesavers to be well equipped to be able to cope with the current difficult market conditions.

6. Recommendations

6.1 The Chief Officer for Environmental services is recommended to note the content of this report and approve the 12 month extension of the contract (DN208342) which deals with textile collection and recycling from council and bring sites in Leeds. Securing arrangements until 5th October 2021.

7. Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.