

Award of the Paint Collection and Recycling Contract (64176) to Seagulls Reuse Ltd under licence agreement.

Date: 30th November 2022

Report of: Waste Management Business Officer

Report to: Chief Officer for Environmental Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- Seagulls Reuse Ltd have held the contract for collection and processing of paint from the Councils Household Waste Recycling Centres (HWRCs) for the last 5 years under a licence arrangement.
- Seagulls Reuse Ltd offer significant social and environmental benefits to Leeds city region.
- Options have been reviewed for the future of the service. A renewal with Seagulls Reuse Ltd is both the cheapest and most favourable for the Council.
- Through the approval of this report the Chief Officer for Environmental Services is recommended to ratify and formalise the decision to renew the arrangement with Seagulls Reuse Ltd.

Recommendations

- a) The Chief Officer for Environmental Services is recommended to note the content of this report and approve the award of a paint collection and recycling contract to Seagulls Reuse Ltd under a licence agreement. The contract will commence on 22nd November 2022 for five years until expiry on 21st November 2027. The estimated annual contract value is £171K.

What is this report about?

- 1 Seagulls Reuse Ltd have held the contract for the collection and processing of waste paint from the Household Waste Recycling Centres (HWRCs) in the district for over 10 years. For the past 5 years this has been delivered under a licence with an associated contract. Seagulls are a private company with strong third sector links that has allowed them to bring a wealth of benefits to the people of Leeds.
- 2 These benefits include:
 - An estimated saving on paint for the residents of Leeds of £595K
 - Local jobs and volunteer placements including ex-offenders, vulnerable people and those with special educational needs
 - Mosaic, a community arts programme
 - Upcycling workshops and decorating masterclasses
 - Support for independent businesses in the online shop and Summer/Winter markets
- 3 A briefing paper exploring options for the paint collection service has been circulated to key stakeholders reviewing possibilities for renewal of the service with Seagulls, removal of the service at the HWRCs and changing the LCC service at HWRCs to be purely disposal rather than reuse.
- 4 Renewal with Seagulls Reuse Ltd is considered to be the best of the options explored. A renewal protects the environmental and social benefits delivered by Seagulls and supports a unique and beloved local organisation. A renewal also offers best value to the Council as it is cheaper than chemical waste disposal and avoids unplanned costs that may arise through the removal of the collection service.
- 5 Asset Management and Legal Services have been consulted regarding a renewal and there are no barriers to putting in place the same licence with associated contract arrangement as has been used for the previous five years. A formal contract protects the Council in terms of service standards and agreed pricing but also through secure Terms and Conditions which incorporate an element of future proofing in change mechanisms.
- 6 The appropriate contracting of key services supports the delivery of sustainable infrastructure under the Best Council Plan with the specific aim of reducing waste and increasing recycling. Appropriate waste services also help to avoid anti-social behaviour and environmental crime issues which allows safe, strong communities and friendly city priorities to succeed.
- 7 The Chief Officer for Environmental Services is recommended to approve the renewal of a licence with associated contract for Seagulls Reuse Ltd.

What impact will this proposal have?

- 8 The overall impact of this proposal is to deliver a continuation of effective and efficient services through appropriately contracted and managed waste services. By supporting reuse the proposal allows this waste stream to continue to be pushed up the waste hierarchy. Although stakeholders will not feel a change through the implementation of this proposal if it weren't adopted the impacts would be detrimental to the Council's reputation and operational HWRC services.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 9 This contract is needed to maintain the range of services provided by the Council's Environmental Services Section. The emphasis in contracts of this kind is to provide infrastructure to allow maximum adherence to the waste hierarchy where re-use and recycling is selected as the preferred method for dealing with wastes ahead of other waste disposal or treatment technologies. Seagulls Reuse Ltd as an organisation also support the health and wellbeing of Leeds residents through affordable products and volunteering opportunities for marginalised groups.

What consultation and engagement has taken place?

Wards affected: N/A

Have ward members been consulted? Yes No

- 10 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 with ward members have taken place. Consultation with the Executive Member for the Environment has taken place and they are supportive of the approach outlined.

What are the resource implications?

- 11 As a continuation contract for existing arrangements the services covered by the licence and contract have been adequately budgeted for over the contract term including annual price increases as a result of the indexation mechanism.
- 12 It is anticipated that the increase in contract price can be met within the existing overall waste disposals cost budget. It is unclear from the current Government consultation on the proposed national Extended Producer Responsibility scheme whether paint as a product/waste stream would be covered in any way, or whether the industry itself will introduce a scheme to help Councils collect paint for re-use, but the service will lobby for that with DEFRA and in the meantime seek to work direct with the industry through the British Coatings Federation
- 13 Pricing information is included in Appendix 1. Benchmarking of the option to renew the licence with Seagulls Reuse Ltd against the option to dispose of the material through the chemical waste contract showed an annual saving of £68K which in turn demonstrates the Council is achieving Best Value. The contract also delivers savings to the residents of Leeds through discounted paint.
- 14 The completion of the licence and contract award and the subsequent contract management of the awarded contracts will be led by the Waste Management Contracts Team, and the requirements of this have been identified in the Waste Management Procurement Strategy.

What are the key risks and how are they being managed?

- 15 If the recommendation to award as described within this report is not approved, then the Council will risk being in a position where no formal contractual arrangements are in place for a hazardous waste stream.
- 16 A risk register has been developed and those risks have been adequately managed. The risk register will continue to be maintained for the ongoing management of the contract once awarded. Any high or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.

17 Conclusion of this exercise will provide a legally binding contract, the terms of which will protect the Council against adverse performance issues, health and safety concerns as well as protecting the rates agreed.

What are the legal implications?

18 Officers from Procurement and Commercial Services have been consulted throughout this tendering exercise and as such all legislative requirements surrounding Public Procurements have been adhered to.

19 The decision is open for inspection through the Delegated Decision Process. This represents a Key Decision and will be subject to call-in under the Council's constitution.

20 Note that by virtue of Access to Information Rules 10.4.(3) The Appendices (1) 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.

21 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.

Options, timescales and measuring success

What other options were considered?

22 Options for removing the paint collection service from the HWRCs and for treating waste paint under the chemicals contract were considered, they were found to be more expensive and less favourable options.

How will success be measured?

23 Success will be measure as part of the contract management process.

What is the timetable and who will be responsible for implementation?

24 The start date for the contract issued with the licence will be backdated to 22nd November 22 and will be for a duration of 5 years.

Appendices

- Seagulls Briefing Sept 22
- ECDI

Background papers

- None