

**ITEM No ...4.....**

**REPORT TO:** NEIGHBOURHOOD SERVICES COMMITTEE – 25<sup>TH</sup> OCTOBER 2021  
**REPORT ON:** CONTRACT FOR THE TREATMENT OF PAPER AND CARD  
**REPORT BY:** EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES  
**REPORT NO:** 284-2021

**1.0 PURPOSE OF REPORT**

1.1 To approve the contract for the treatment of paper and card from December 2021.

**2.0 RECOMMENDATIONS**

2.1 It is recommended that the contract be awarded to Smurfit Kappa Recycling UK.

**3.0 FINANCIAL IMPLICATIONS**

3.1 The financial implications from this contract for financial year 2021/22 will augment paper/card income by £50,000. Thereafter, in a full financial year, it is anticipated that approximately £200,000 of additional income will be generated per annum.

**4.0 BACKGROUND**

4.1 At present 4,397 tonnes of mixed paper and card and 103 tonnes of cardboard is collected annually (based on 2020 figures) from businesses and households throughout the city by waste management. Bin lorries deliver all paper/card collected on collection rounds and skip trucks deliver cardboard from the recycling centres, to a local processing facility.

4.2 The existing contract ends on 1st December 2021 and an opportunity to realise transformation of this contract has begun with the creation of suitable storage facility 'in house' at Marchbanks (Article IV of the minute of the meeting of the Neighbourhood Services Committee on 23<sup>rd</sup> August 2021, Report No: 167-2021 refers). This provided an opportunity to insource the existing storage and transfer operations.

4.3 It was therefore necessary to undertake a procurement exercise to secure a contractor to process this material from the aforementioned storage facility at Marchbanks. The invitation to service this tender was issued via the Dynamic Purchasing System (DPS) Relating To The Treatment And Disposal Of Recyclable And Residual Waste (27-17): Lot 2 Treatment Of Paper, Cardboard, News And Pams.

4.4 Following the tender closing date evaluations were completed in September 2021. The new contract will begin on 2nd December 2021, to arrange transport for collection, onward transfer and reprocessing of mixed paper/card and cardboard. The contract would endure for 2 years with an extension option of up to a maximum of 2 x further 1 year periods.

4.5 Bids were evaluated on service requirements, contract administration and pricing the rebate per tonne which included the haulage costs from Marchbanks, 34 Harefield Road, Dundee, DD2 3JW. The table below demonstrates that Smurfit Kappa were the most economically advantageous bidder to the Council, and approval is now sought to award this contract.

| <b>Bidder</b>                             | <b>Rebate per tonne</b>      | <b>Daily tonnage</b> | <b>Daily rebate</b> |
|---|------------------------------|----------------------|---------------------|
| Saica Natur,<br>Manchester                | £31 - mixed<br>paper/card    | 17                   | £527                |
|   | £65 - cardboard              | 0.4                  | £26                 |
|   |                              |                      | <b>£553</b>         |
| Smurfit Kappa<br>Recycling UK,<br>Glasgow | £62 - mixed<br>paper/card    | 17                   | £1,054              |
|   | £92 - cardboard              | 0.4                  | £37                 |
|   |                              |                      | <b>£1,091</b>       |
| Wyllie Recycling<br>Limited, Perth        | £47.50 - mixed<br>paper/card | 17                   | £808                |
|   | £47.50 – cardboard           | 0.4                  | £19                 |
|   |                              |                      | <b>£827</b>         |

4.6 Committee is asked to accept the offer from Smurfit Kappa Recycling UK.

## **5.0 POLICY IMPLICATIONS**

5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

## **6.0 CONSULTATIONS**

6.1 The Council Management Team have been consulted in the preparation of this report and agree with its contents.

Elaine Zwirlein  
**Executive Director of Neighbourhood Services**

Tony Boyle  
**Head of Environment**

1<sup>st</sup> October 2021