

# ITEM No ...5.....

**REPORT TO:** FAIR WORK, ECONOMIC GROWTH & INFRASTRUCTURE COMMITTEE -  
21 APRIL 2025

**REPORT ON:** SOURCING STRATEGY FOR VARIOUS WASTE MANAGEMENT  
CONTRACTS

**REPORT BY:** EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES

**REPORT NO:** 124-2025

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to present a summary of the sourcing strategy and seek approval to award the contracts for the services relating to the treatment of mixed scrap metal, mixed recycling: metals, plastics and cartons and paper and cardboard.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee: -

- a) approves the commencing of a procurement exercise in respect of the project described (based on the sourcing strategy summarised in this report).
- b) delegates authority to the Executive Director of Neighbourhood Services to award contracts for the maximum period of 4 years, following the invitations to bid via the Scotland Excel Dynamic Purchasing System (DPS) Relating to The Treatment and Disposal of Recyclable and Residual Waste (27-17) in compliance with the Public Contracts (Scotland) Regulations 2015; and
- c) notes that any contract awards to be made from this Scotland Excel Dynamic Purchasing System, that are not covered by delegation provided to officers within Council Standing Orders and Financial Regulations will be brought back to members for consideration in due course.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 The Executive Director of Corporate Services advises that the income received for these various recycling commodities are contained within the Neighborhood Services waste management revenue budget. The value of the existing contractual arrangements are approximately £115,000 per annum for scrap metal, £105,000 per annum for mixed recycling: metals, plastics and cartons and £250,000 per annum for paper and cardboard.

## **4.0 SOURCING STRATEGY SUMMARY**

4.1 This Sourcing Strategy seeks approval to progress with an appropriate compliant process via the use of the Scotland Excel DPS which will support the council in delivering frontline waste and recycling services. This will allow legislative and regulatory compliance with the requirements of the Waste (Scotland) Regulations 2012 and the recently published Circular Economy Bill and corresponding Waste Route Map.

4.2 Bids will be invited via the Scotland Excel DPS Relating to The Treatment and Disposal of Recyclable and Residual Waste (27-17): -

- Lot 7 - Treatment of Mixed Scrap Metal - the treatment of approximately 584 tonnes of scrap metal and 14 tonnes of lead acid batteries per annum, collected and delivered to a local processing facility, from June 2025;
- Lot 1 - Treatment of Co-Mingled Mixed Recyclate - transport for collection from the Baldovie storage facility, onward transfer and reprocessing of approximately 2,500 tonnes of mixed recycling: metals, plastics and cartons per annum, from October 2025; and;
- Lot 2 - Treatment of Paper, Cardboard, News and Pams - transport for collection from the Marchbanks storage facility, onward transfer and reprocessing of approximately 4,500 tonnes of mixed paper/cardboard per annum, from December 2025.

4.3 It is proposed that each contract noted in 4.2 above will have an initial period of two years with an extension option of up to a maximum of two further one-year periods (totalling four years maximum).

## 5.0 RISK ANALYSIS

5.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contracts regulations and leaving the Council open to a legal challenge.

Description of risk	Actions to be taken to manage risk
<b>Commercial Risk</b> – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low Risk - the contracts will be awarded through a compliant Dynamic Purchasing System through which all costs will be evaluated.
<b>Technical Risk</b> – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.	Low Risk - the contract will be awarded through a compliant procurement route.
<b>Performance Risk</b> – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	Low Risk – a contract management process will be put in place with the use of Key Performance Indicators.
<b>Contractual Risk</b> – Being able to remedy the 's shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Low Risk – Dundee City Council are contractually protected via the contract terms and conditions. The contractor shall be proactively managed during the term of the contract.
<b>Procurement Risk</b> – where a procurement is found unsound in law, through the public procurement rules.	Low Risk – the procurements will be carried out in accordance with the Public Contracts (Scotland) Regulations 2015.

## 6.0 POLICY IMPLICATIONS

6.1 This report has been subject to the pre-IIA screening tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an integrated impact assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## **7.0 CONSULTATIONS**

7.1 The Council Leadership Team have been consulted on the preparation of this report and agree with its contents.

## **8.0 BACKGROUND PAPERS**

8.1 None.

Tony Boyle  
**Executive Director of Neighbourhood Services**

Catherine Conroy  
**Interim Head of Environment**

21 March 2025

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