

NORTH SOMERSET COUNCIL DECISION

DECISION OF: THE DIRECTOR OF PLACE

WITH ADVICE FROM: SECTION 151 OFFICER AND HEAD OF STRATEGIC PROCUREMENT



DECISION NO: 23/24 DP 127

SUBJECT: CONTRACT AWARD FOR THE TREATMENT OF FOOD WASTE

KEY DECISION: YES

REASON: THE DECISION AFFECTS TWO OR MORE WARDS

1. BACKGROUND

1.1 The Council has a statutory duty to collect and arrange for the receipt and disposal of household waste and other waste arising within North Somerset. This function is currently carried out through a contract with Enovert which expires on 29 February 2024.

1.2 At the Executive meeting held on 8 February 2023 committee members made the following resolution: "That the Executive approves the commissioning and procurement plan for the treatment of food waste."

1.3 Link to the [Commissioning and Procurement plan for the treatment of Food Waste](#) taken to the February 2023 Executive.

1.4 Following market engagement, bidding for the contract opened on 5 April 2023 and closed 31 May 2023. Out of the five submissions received, one was discounted due to insufficient information and not meeting the minimum criteria to progress to the evaluation panel stage. The remaining 4 were scored on the grounds of:

- Price 50%
- Quality assessment 40%
- Social value 10%

1.5 The quality assessment covered key areas such as treatment operations (including business continuity) and beneficial re-use and carbon management.

1.6 The evaluation panel concluded that the successful bidder offered the best in terms of value for money and service delivery alignment with the council's objectives.

2. DECISION

2.1 That the contract for food waste treatment be awarded to **Codford Biogas Limited (Company number 08166256)** for a term of 7 years from 1 March 2024, with the option for extending for another 7 years (12-month options).

3. REASONS

3.1 Quality

Codford's responses to the quality submission questions scored highly across the board, inspiring confidence and demonstrable robust systems to underpin their service delivery model, with a strong focus on carbon management.

3.2 Price

Out of the four compliant tender submissions, Codford scored the highest in terms of competitive contract pricing.

3.3 Social value

The Codford Social Value response committed to substantial initiatives in terms of climate and the environment over and above the requirements set out in the specification and the quality response. Including committing to achieve Net Zero emissions by 2050, 21% reduction by 2027 (compared to 2019 figures) by employing a holistic approach including switching to less carbon intense fuels, prioritising the use of carbon efficient hauliers and streamlining route planning. This is all supported by a comprehensive plan.

3.4 Scoring overview

Bidders	Weighted Quality Score (%)	Weighted price score %	Weighted Social Value score	Total Weighted Score %
A	21.60%	26.74%	1.32%	49.66%
B	36.40%	43.22%	6.84%	86.46%
C	36.40%	50.00%	7.50%	93.90%
D	21.60%	29.08%	1.60%	52.28%

Further information on the procurement process and evaluation is available from the Procurement Team on request.

4. OPTIONS CONSIDERED

4.1 No other options have been considered. This contract has been procured in line with the Commissioning and Procurement plan agreed by the Executive in February 2023.

5. FINANCIAL IMPLICATIONS

Costs

This contract is expected to generate income in the region of £184k in the first year.

The net income will however decrease over the 7 year contract period since the contractor costs will increase in line with RPI, but the rebate is fixed over the contract period.

Funding

The existing revenue budget for food waste processing is £437k. Since this contract is now expected to deliver an income to the council there is a potential revenue savings of £621k.

Inflation will however need to be funded through the MTFP.

There are other budgetary pressures within the waste disposal budget, including the unknown costings for garden treatment and residual waste contingency contracts, and other waste operational budgets, this saving will either offset some of these pressures reducing the need for budget growth within the 2024/25 MTFP or will contribute towards the Place MTFP savings. This will all be reflected within the MTFP once the remaining procurement for waste disposal is completed, and the full saving is known.

6. LEGAL POWERS AND IMPLICATIONS

N/A

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

7.1 Carbon management is a key priority for this contract and featured heavily in the Quality Submission questions, co-written with the Climate Emergency Project Manager.

7.2 Anaerobic digestion (AD) plants, used for the treatment of food waste, are at the leading edge of carbon reduction due to the nature of the process and the output product. It is a biological process that occurs when bacteria breakdown organic matter in the absence of oxygen.

7.3 Whilst the recommended provider is located outside of the local authority area, it should be noted that each submission was scored on the whole journey of the waste – distance from our Waste Transfer Station to the treatment site and where the by-products are finally used.

8. CONSULTATION

External

- Eunomia, market specialists in the waste and recycling industry
- Enover (existing service provider)
- Food waste treatment companies

Internal

- Executive Member
- CLT/ Informal Executive
- Place Scrutiny
- Procurement
- Legal
- Climate Emergency

9. RISK MANAGEMENT

No high risks have been identified with this contract award decision. A full risk log is available upon request.

10. EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

[Link to assessment here](#)

11. CORPORATE IMPLICATIONS

N/A

APPENDICES

BACKGROUND PAPERS

SIGNATORIES:

DECISION MAKER(S):

Signed:  Director of Place

Date: 11 August 2023

In consultation with

Signed:  S151 officer

Date: 11 August 2023

Signed:  Head of Strategic Procurement

Date: 11 August 2023