

## **Cabinet Meeting on Wednesday 21 February 2024**

### **Household Waste Recycling Centres – Equipment Replacement Programme**



**Councillor Simon Tagg, Cabinet Member for Environment, Infrastructure and Climate Change said,**

“In Staffordshire we’re committed creating a sustainable and efficient waste service.

This new machinery will help our continued commitment to a more sustainable, efficient and resident focused service.

Waste minimisation is critical to reducing carbon and contributing to sustainable living where the materials that would traditionally have gone into the waste stream are recycled instead.

We want to make our centres as efficient as possible, and procuring modern machines is one way we can make this happen.”

#### **Report Summary:**

A Cabinet decision was made in March 2021 to bring the Household Waste Recycling Centres (HWRCs) back in house. Part of the business case included an invest to save model around equipment renewal. An element of this is machinery used in the operation at the HWRCs. A replacement programme to date has seen the ordering of 4 new machines, which will be delivered to the network early in the financial year 2024/25. A second process has been undertaken to procure the remaining 11 new JCBs. The purpose of this report is to gain Cabinet approval to place the order for the 11 JCBs.

#### **Recommendation**

I recommend that Cabinet:

- a. Approves and agrees to officers undertaking a procurement exercise in compliance with the requirements of the Public Contract Regulations 2015 (the “Regulations”) for 11 new wheeled excavators (JCBs) for the Household Waste Recycling Centre equipment renewal programme. An

already established Framework Agreement procured by The Procurement Partnership Ltd will be used;



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#### **Recommendation of the Cabinet Member for Environment, Infrastructure and Climate Change**

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#### **Local Member Interest:**

N/A

#### **Report of the Director of Economy, Skills and Infrastructure**

#### **Reasons for Recommendations:**

##### **Background**

1. The Council currently provides a network of 14 Household Waste Recycling Centres (HWRCs) geographically spread across the county and Staffordshire residents also have access to the jointly funded site at Lower House Farm in Warwickshire. The service is well utilised by residents, with c1.5 million visits per annum across the sites in Staffordshire. The service is also used by traders with 1300 trade visits with 295 different trade companies using the sites in 2019/20.
2. More recently in the Autumn 2023, the van permit system was successfully introduced. This was a part of the improvement programme for the HWRCs which looks to minimise the amount of material in waste streams and to.
3. In March 2021, Cabinet agreed to bring the service back in house and the new Staffordshire County Council service started operation in March 2022:
  - a. A service that is safe to use and operate.
  - b. A service that maximises recycling opportunities.

- c. A service that provides best value for the public purse.
  - d. A service that can match customer demand.
  - e. A service that has appropriate levels of customer satisfaction when considering the authorities overall budget and accountabilities.
  - f. A service that can offer flexibility so that service innovation/improvement is possible over the period of the contract.
4. Within the business case presented to Cabinet in 2021 and as part of the ongoing financial model there is provision for an equipment renewal programme in order for the HWRCs to operate as safely and efficiently as possible.
  5. This is currently a fleet of JCB wheeled excavators and one loading Shovel.
  6. There are: 6 X JS145W, 7 X JS160W, 1 X JS200W, 1 X CAT Shovel loading shovel 950H.
  7. Wheeled excavators (JCBs) as an asset are critical in the management of material at the HWRCs. They are used primarily to compact material in the containers and increase the onsite capacity and maximise payload for haulage. The wheeled excavators are subject to a maintenance programme to keep them operational and working as effectively as possible. Over the life of this asset the maintenance costs increase and the replacement programme is linked to the difference in maintenance costs between newer and older assets.
  8. The JCBs on the network are around 8 years old and have operating hours ranging from 2500 – 7000. Market engagement has shown that the new wheeled excavators come with a 5 year warranty. The forecast saving associated with replacing the wheeled excavators with new models (by lease or purchase) in terms of annual maintenance is around £372k each year for the first 5 years of operation.
  9. The replacement programme to date has seen the ordering of 2 X JCB JS20MH, 1 X JCB JS160W, 1 X JCB Wheel Loader 457 at a total cost of £823k in 2023/24. These are all being delivered to different waste sites operated by SCC.

### **Wheeled excavator replacement current phase**

10. There are 11 wheeled excavators that are due replacement in this phase of the programme. The Waste team have undertaken a market engagement exercise and the approximate cost are as follows:

- a. 10 X JS160W @ £207,732 = £1,745,270.00 (excluding VAT) (these are material handler, wheeled excavators)
  - b. 1 X JS20MH @ £251,970 = £210,775.00 (excluding VAT) (wheeled excavators)
  - c. All machines need to be able to operate on Hydrotreated Vegetable Oil (HVO).
11. These prices include £8k for all excavators to be fitted with a system to prevent the Boom/Grab/attachment coming into contact with the operator's cab.
12. The specification was provided to The Procurement Partnership Limited (TPPL) to put out to market through a framework. A preferred contractor has been identified to supply the JCB vehicles. The value of the award is £1,956,270.00 (excluding VAT).

### **Legal Implications**

13. The provision of the suitable Household Waste Recycling service is a statutory function of the County Council.
14. Legal support and advice have been maintained throughout the procurement process.

### **Resource and Value for Money Implications**

15. Market engagement on ordering the wheeled excavators has demonstrated that with the 5 year manufacturer's warranty, there will be an annual saving £372k per year for the 5 year period. There will also be efficiencies in the HWRC operation as a result of the renewal programme.
16. The investment is funded by the Waste Service through efficiencies and increased income in other areas of the Waste Service.
17. The use of an already established Framework Agreement, which is procured by the council's commercial team in conjunction with the Waste Team is considered the best way to achieve best value.

### **Climate Change Implications**

18. The Waste Service has been the authorities largest Carbon emitter since it began its annual carbon monitoring, following its Climate Emergency Declaration, in July 2019.

19. These new machines will have new more efficient engines, that are better able to Operate on HVO which will reduce the service's carbon emissions. The better reliability of the machine should prevent the need of engineer calls out that will also reduce emissions.
20. Waste minimisation is critical to reducing carbon and contributing sustainable living where the materials that would traditionally have gone into the Waste stream are processed to keep the components of the materials at their highest value. An example of this is the recovery of metals from a range of products that are brought to the HWRCs. The principles pushing material up the Waste hierarchy are in operation at the HWRCs, e.g. Prevent, Reuse, Recycling. It is critical that the machinery that enables this to happen is as efficient and modern as possible.

### **List of Background Documents/Appendices:**

See below the background documents to this paper:

17<sup>st</sup> March 2021 Cabinet meeting – Household Waste Recycling Centre Service review

16<sup>th</sup> September 2021 Prosperous Overview and Scrutiny Committee - Household Waste Recycling Centres - Insourcing Update and Potential Changes to the Management of Re-use Items

15<sup>th</sup> June 2022 Cabinet meeting - Mobilisation of Staffordshire's Household Waste Recycling Centres

### **Contact Details**

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