

Overview and Scrutiny Committee – 19 January 2016

Performance Review of Contracts

Name of Contract:	Processing of Recyclables		
Supplier/Contractor:	Grundon Ltd		
Value:	£125,000 per annum (dependent on tonnage of recycling material produced and gate fee charged)		
Length:	7 years	Expiry:	April 2017
Contract Manager:	Sandy Muirhead Head of Sustainability and Leisure		
Scope of Contract:			
<p>The contract for processing of Spelthorne's recycling material joint with Elmbridge Borough Council. As the amount of recyclate produced annually within Spelthorne varies in terms of tonnage produced the total cost of the contract per year also varies as it is dependent on the gate fee.</p> <p>The contract has served Elmbridge and Spelthorne well as we currently have the lowest gate fees in Surrey for processing recyclate. This has been achieved through close working with Grundon during a period of considerable turmoil in the recycling markets with prices for recycled materials varying greatly and now a greater emphasis on quality by processors and legislation (Materials Code of Conduct and Waste Amendment Regulations 2011). The emphasis on quality and reducing contamination in our recycling has helped keep gate fees down to date. With the current state of the market it is likely in April we will see a significant rise in the gate fee but it will still be below other Surrey and neighbouring authorities.</p>			
Contract performance measures:			
<p>contract meetings with Grundon and Elmbridge. Ad hoc discussions on issues as and when arise.</p>			
How often is contract performance reviewed?	Quarterly		
When did last review take place?	November 2015		

How was the review undertaken?	
<p>Reviews with Elmbridge and Grundon focus around the gate, plant operation (downtimes/issues) and considerable discussion around global markets, reprocessing and legislation currently being implemented and monitored by the Environment Agency. These local and global issues potentially have significant impacts on both the gate fee and contamination in our loads of recycling taken to the Colnbrook Grundon plant (or Leatherhead for Elmbridge)</p>	
Was Customer satisfaction monitored?	N/A
If yes, by what means?	
N/A	
What was the outcome of the review?	
<p>At the November review we were told the gate fee would remain at its current level for the final quarter of the financial year but likely to rise significantly in April (gate fee to be given at next meeting in February 2016 but indicative figures provided to allow budgeting for 16/17)</p>	