

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive Member for Streetscene for Decision

<b>Portfolio:</b>	Streetscene
<b>Subject:</b>	<b>Extension of Contract – Recycling Textiles</b>
<b>Report of:</b>	Director of Operations
<b>Strategy/Policy:</b>	Clean and Tidy Borough
<b>Corporate Objective:</b>	A safe and health place to live and work

**Purpose:**

To consider a recommendation to extend the current textile recycling contract for a period of two years.

**Executive summary:**

This report provides the Executive Member for Streetscene with information on the current contract, textile recycling market trends and a proposal to extend the existing textile recycling contract. The proposal allows for the continuation of a current contract which will provide residents of the borough with high levels of customer service and continuation of a revenue income, the majority of which will be distributed to a variety of good causes

**Recommendation:**

That the Executive Member for Streetscene approves that current contract be extended for two years until 31 March 2019.

**Reason:**

The existing contract provides a high quality service to residents along with a revenue income to the Council.

**Cost of Proposals:**

No capital or revenue expenditure is required.

**Appendices:** A – confidential appendix

**Background papers:**

Report to the Executive for Decision 3 September 2012 Item 10 (1)

Report to the Executive for Decision 15 April 2013 Item 10 (2)

**Reference papers:** None

# Executive Briefing Paper

**Date:** 13<sup>th</sup> January 2017

**Subject:** Extension of Contract - Recycling Textiles

**Briefing by:** Director of Operations

**Portfolio:** Streetscene

## INTRODUCTION

1. The European Recycling Company Ltd (ERC) were awarded the contract for the exclusive rights to provide and service clothing and textile recycling banks on Council owned land for four years (1 April 2013- 31 March 2017). There are currently 29 textile recycling banks across the Borough.
2. The initial price per tonne was re-negotiated in April 2014 and April 2015 due to significant changes in the global textiles market. Subsequently the market has remained stable for the past 18 months. The table in the confidential Appendix A details the tonnages collected and income received from the contract to date.
3. Overall, the market is not as buoyant as when the contract started in 2013, and officers in Streetscene have been monitoring the situation closely. In terms of income per tonne and the level of service being experienced, it is not considered necessary to formally test the market via a competitive tender at this juncture.
4. Soft market testing has indicated that the current price per tonne for new contracts is approximately 50% less than what is currently received from ERC.

## CONTRACT PROCUREMENT RULES

5. This contract is for a service concession, as money is coming into the authority and as such, is not specifically covered in the council's contract procedure rules. However, by applying the same principles as one would if the contract were for purchasing goods or services, the contract could be extended two years via an Executive Member Decision.

## FINANCIAL IMPLICATIONS

6. If the contract was to be extended as recommended, no capital or revenue expenditure would be required

## CONCLUSION

7. The framework agreement for clothing and textile recycling has been in place

since April 2013 and has provided a high quality service for residents during this period. The income derived from the agreement has been used largely to support various good causes in the local area; the agreement expires on 31st March 2017. Following a soft market testing exercise, it is now proposed to extend the agreement for a further two years in order to continue realising the benefits of the current arrangements.

**Appendices:** A – Confidential Appendix

**Background papers:**

Report to the Executive for Decision 3 September 2012 Item 10 (1)

**Reference papers:** None

