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Contract

Somerset County Waste and Recycling Services

SOMERSET COUNCIL

F20: Modification notice

Notice identifier: 2024/S 000-028056

Procurement identifier (OCID): ocids-h6vhtk-049784

Published 3 September 2024, 10:05am

Section I: Contracting authority/entity

I.1) Name and addresses

SOMERSET COUNCIL

County Hall

TAUNTON

TA14DY

Contact

paul skuse

Email

paul.skuse@somerset.gov.uk

Telephone

+44 7833446435

Country

United Kingdom

Region code

UKK23 - Somerset

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

www.somerset.gov.uk

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Somerset County Waste and Recycling Services

Reference number

2004/S 174368-201

II.1.2) Main CPV code

- 90514000 - Refuse recycling services

II.1.3) Type of contract

Services

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKK23 - Somerset

II.2.4) Description of the procurement at the time of conclusion of the contract:

Somerset County Council ("Council") awarded a contract to Suez Recycling and Recovery Limited ("Suez") in March 2020 following a procurement for project management services for the delivery of Waste Collection and Recycling Services for Somerset Waste Partnership formed by the County Council and District Councils. Council's municipal waste strategy and its landfill directive obligations to divert biodegradable municipal waste from landfill (the "Contract"). The procurement was advertised in OJEU Contract Notice (2004/S 174368-201).

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

120

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2004/S 201-174368](#)

Section V. Award of contract/concession

Contract No

DN309286

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

28 March 2020

V.2.2) Information about tenders

The contract/concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Suez Recycling and Recovery Limited

Suez House, Grenfell Road

Maidenhead

SL6 1ES

Country

United Kingdom

NUTS code

- UKJ1 - Berkshire, Buckinghamshire and Oxfordshire

Companies House

02291198

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £570,000,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Public Procurement Review Service

London

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 90514000 - Refuse recycling services

VII.1.3) Place of performance

NUTS code

- UKK23 - Somerset

VII.1.4) Description of the procurement:

Somerset County Council ("Council") awarded a contract to Suez Recycling and Recovery Limited ("Suez") in March 2020 following a procurement for project management services for the delivery of Waste Collection and Recycling Services for Somerset Waste Partnership formed by the County Council and District Councils. Council's municipal waste strategy and its landfill directive obligations to divert biodegradable municipal waste from landfill (the "Contract"). The procurement was advertised in OJEU Contract Notice (2004/S 174368-201).

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

120

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£617,000,000

VII.1.7) Name and address of the contractor/concessionaire

Suez Recycling and Recovery

SUEZ House

Maidenhead

SL6 1ES

Country

United Kingdom

NUTS code

- UKJ1 - Berkshire, Buckinghamshire and Oxfordshire

Companies House

02291198

The contractor/concessionaire is an SME

No

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

increase in value

VII.2.2) Reasons for modification

Need for modification brought about by circumstances which a diligent contracting authority/entity could not foresee.

Description of the circumstances which rendered the modification necessary and explanation of the unforeseen nature of these circumstances:

Increase in the value of the contract in excess of the permitted tolerance.

There have been a several commercial challenges since the start of the contract including Covid, and national driver shortages. Consequently, SUEZ have also disclosed significant losses on the contract, to the extent it has become unviable. SUEZ have advised that without a formal variation to the contract to increase payments, they will consider renouncing the contract. This would mean walking away from the contract, withdrawing all services and accepting the contractual consequences of paying the Council damages that arise (subject to contractual caps).

The Council considers that it is essential to increase the value of the contract over its remaining term by £47,000,000 as a one of final settlement in order to make the contract

viable for the supplier over the remainder of its term, and so protecting a statutory public service. Other options have been considered but it is considered that these are more expensive for the Authority or represents a greater risk.

The modification does not alter the overall nature of the contract, which remains for the collection and recycling of waste in Somerset and continues to reflect the successful transition to "Recycle More".

The increase in price is below 20% of the original (as-awarded) contract value for the initial 10 year term and so does not exceed (and is significantly less than) 50% of the value of the original contract.

VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £570,000,000

Total contract value after the modifications

Value excluding VAT: £617,000,000