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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): ocds-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](mailto: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](http://www.somerset.gov.uk)

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**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

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### **Section IV. Procedure**

#### **IV.2) Administrative information**

##### **IV.2.1) Contract award notice concerning this contract**

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

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### **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

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

Public Procurement Review Service

London

Country

United Kingdom

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## **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