

# Doncaster Re-use Partners

A tailored procurement process for a new waste collection contract in Doncaster resulted in the achievement of local environmental and social objectives

## Introduction

Doncaster Metropolitan Borough Council has a policy of seeking opportunities to work in partnership with others to fulfil its waste strategy. The council has been supportive of third sector partners who, in turn, have played an important role in developing the council's waste management services.

In 2009 the council awarded a waste collection contract to SITA UK with its subcontractor, the social enterprise organisation Doncaster Refurnish, responsible for the bulky waste collection service. This followed an informal working relationship between the council and the charity, which had been ongoing for a number of years.

Established in 2003, Doncaster Refurnish collects unwanted furniture and waste electrical and electronic equipment (WEEE) from households and businesses in Doncaster and the surrounding areas for re-use. These resources are available to help people set up home in an economically sustainable way with the aim of reducing poverty and reliance on debt finance.

### Key facts

- A £5.7 million six-year waste collection contract was awarded to SITA in 2009.
- SITA subcontracts the bulky waste and re-use service to Doncaster Refurnish.
- SITA has overall responsibility for the delivery of the contract with the charity sharing the common goal of protecting the environment and putting waste to good use.

- There is a collection charge of £22.75 for a maximum of eight items with discounts for householders in receipt of a qualifying benefit. Fridges and freezers are collected for free.
- SITA monitors the performance of the charity and payment is based on the number of collections undertaken.
- As a result of a good relationship, SITA is content for the council to meet to discuss activities direct with the charity without the requirement for SITA to attend.
- At the contract procurement stage the specification maximised re-use. The specification included a number of social targets covering engagement and getting people back into paid employment.
- In 2009/10 over 480 tonnes were diverted from landfill, and disposal cost savings to the council were £25,000.
- The charity's recycling rate under the contract is now averaging 39%.
- In 2010/11 the charity employed 38 people, provided flexible self-employment opportunities to two others and provided 133 volunteering placements.
- Since 2009 over 20,000 low-income households have been assisted with the provision of low cost furniture and household goods.

## The approach

### Background

The council's working relationship with Doncaster Refurnish started in 2003 when European Union and UK Neighbourhood Renewal Funds (NRF) were available. This funded a trial for the collection and re-use of bulky items from householders. SITA held the waste collection contract at this time and the trial helped establish the formal organisation of the charity.

This early arrangement was the result of a series of meetings held over a period of two months between the major stakeholders:

- Doncaster MBC's waste management head of service;
- the council's then NRF manager;
- SITA's contracts manager; and
- Doncaster Refurnish's strategic development manager.

The objective of the meetings was to explore and improve the council's social and environmental activities, whilst the charity wanted to access greater quantities of re-usable furniture and household goods. The charity outlined how its work could assist other council departments, such as social services, the homeless team and the asylum team, to source affordable furniture for their clients as well as providing a service for re-use and recycling of unwanted household furniture.

At this time SITA was responsible for the collection of all bulky materials, and therefore changes needed to be made to the existing contract. The relevant clause in the contract was renegotiated such that SITA would continue to collect the bulky waste materials (materials not able to be re-used) and the Doncaster Refurnish would take over the collection of the re-use element.

The service began as a six-month pilot scheme in late 2003 with performance targets based upon the charity's capacity at that time. These were:

- the creation of seven full time jobs;
- increasing re-use in the borough by 20%; and
- increasing the provision of affordable goods to local communities by 20%.

To support the trial, the council introduced a policy whereby collections of re-usable items were free of charge to the resident when collected by the charity, but collections of non-re-usable items collected by SITA were charged for. SITA paid the charity a fee per collection on a monthly basis. A dedicated telephone hotline was established by the council, signposting householders to the charity directly if their goods were re-usable, or arranging collection by SITA if not.

The charity monitored and evaluated its own activities including the number of jobs created together with volunteering and training opportunities, the number of collections completed and the tonnage diverted from landfill as well as the number of households accessing affordable goods. This enabled the council to easily identify the positive impact and outcomes of the arrangement. The number of collections increased dramatically and the service was delivered to a high standard.

In September 2008, 12 months before the existing waste management contract was due to expire, the council began to explore the possible social, environmental and economic improvements that could be made to its future bulky waste collection service, using the charity's performance as a benchmark. To ensure that these elements were considered, the council placed a requirement within the new contract that successful bidders should work with a third sector organisation on resource recovery, particularly in the area of re-use and recycling.

Doncaster MBC adopted a restricted procurement process and tendered a six-year integrated waste collection contract, with an option to extend for a further three years. Maximising re-use from the bulky household waste stream was a key priority. Doncaster Refurnish approached shortlisted tenderers with a view to working as prospective subcontractor. During the evaluation process method statements were scored for added value, including bulky waste collections, performance and third sector involvement. The proposals included a number of social targets covering engagement and getting people back into paid employment.

In April 2009 SITA was awarded the waste collection contract, with SITA subcontracting Doncaster Refurnish to provide a full bulky household waste collection component, which started in October 2009.

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## The approach

### Funding

Grant funding from the EU and the NRF had supported the early bulky re-use trial, which started in 2003.

In the new 2009 contract, Doncaster Refurnish could no longer rely upon grant funding in their bid to subcontract with SITA so they priced their service on a full cost recovery basis over the six-year contract period, using a standard 3% inflationary price increase per annum. Doncaster MBC accepted the new full cost recovery model.

The agreed payment fee, based upon the number of collections, is calculated using an estimated 22,000 collection requests per annum. This figure was established by combining the annual number of collections by the charity with those by SITA.

The recession has seen the number of collections reduce by half, reflecting the decrease in consumer replacement of goods, despite the digital switch over for televisions. The unit price for collection remains the same, and the charity has responded by diversifying into acquiring stocks of furniture and other bulky items, such as rejects from manufacturers, in order to maintain the level of items needed to supply the community.

### Third sector added value

At the time of the procurement, Doncaster Refurnish could demonstrate a six-year track record of the collection, re-use and recycling of unwanted furniture and household goods. As an approved authorised treatment facility (AATF) it was able to handle and process WEEE, and with ISO 9001, 14001 and 18001 certification it could fulfil the council's requirement for subcontractors to have quality management systems in place.

### Social benefits

In the process of collecting, re-using and recycling household items, Doncaster Refurnish provides a volunteering, work placement and training programme to those facing long-term unemployment, mental health issues and those disengaged from mainstream society. It enables people to fulfil their potential by providing a supportive

and friendly working environment where confidence, skills and experience can be developed. It also helps the local community, especially those on low or no income, with the provision of household items. Over 20,000 low-income households have been assisted with the provision of low cost furniture and household goods since the start of the contract in 2009.

### Economic benefits

In 2010/11 the charity employed 38 people with flexible self-employment opportunities for two others. It provides 175 volunteering placements, giving work-based and accredited training to socially disadvantaged people, thereby increasing their employability, self-esteem and skills. The council saved in the order of £25,000 in disposal costs.



## Critical success factors and key learning points

- The council's motivation to introduce the original re-use trial was to divert waste from landfill, and this continued to be the key driver behind the latest procurement process. A critical success factor was the requirement to deliver an 'exit strategy' so the diversion was sustainable, as it was clear that grant funding was going to come to an end. As a result the contract process was designed to secure a longer-term sustainable solution whilst still having the wider benefits of third sector activity.
- Key to the success of the contract has been partnership working, with all involved being equally interested and committed towards service delivery. SITA has stated that its priorities are to achieve a first class service for its client, the council, whilst protecting the environment and putting waste to good use. Working with Doncaster Refurnish has succeeded because there is a synergy and they share common goals. The charity operates as a business with the same waste collection goals, and it views the goods as valuable commodities. The refurbishment process provides vital work experience and the application of new skills, while the finished goods provide much needed furniture for the local community.
- SITA comments that it has been a straightforward partnership. The long association between organisations has helped develop the working relationship such that any issues are resolved quickly and efficiently. Regular communication is key to maintaining the good working relationship and ensures the three-way flow of information.

## Achievements

- The bulky household waste collection contract has brought stability to Doncaster Refurnish and provides an additional platform for sustainable growth. This in turn has brought income and added value to the local economy through training, employment opportunities and sales of the bulky goods back into the local community.
- Despite the impact of recession resulting in reduced collections, re-use rates are still high and provision is still being made to supply low cost furniture and household appliances to the local community.
- Handling all bulky waste collections gives Doncaster Refurnish the opportunity, in time, to increase further the recycling and re-use rate through refurbishment. It has been evaluating the waste stream and is trialling various up-cycling projects (the practice of taking something that is disposable and transforming it into something of greater use and value), while looking at the capital investment needed to extract this greater value.

- The contract arrangements have allowed a move away from grant dependency, to ensure long term social added value and environmental improvements through the diversion of waste from landfill
- In addition to employed staff, the charity retains a core of ten dedicated long-term volunteers. Since the start of the contract the charity has provided 68 training work placements, 107 ex-offender work placements and engaged 149 students in recycling, packaging technology and business challenges as well as supporting 10,198 individuals and families with resources that have been diverted from landfill.

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Working together for a world without waste

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