

# First SME to win major waste pfi contract

Yesterday (Tuesday April 8th) saw the official signing of the £730 million, 28-year waste PFI contract between Cambridgeshire County Council and SME Donarbon Waste Management Ltd; the first time an SME to win a major waste PFI contract.

Up to 1st April this year Donarbon, a family owned business based within its own waste management park at Waterbeach just north of Cambridge, employed a total of 52 staff, and was the main waste contractor to the County Council, taking kerbside collected green waste for composting and residual waste for landfill from 4 of the 5 districts in Cambridgeshire.

From the 1st April, as part of the PFI contract, the company starting taking residual waste from Huntingdonshire District Council at its newly built waste transfer station in Alconbury, near Huntingdon, and took over the transport of waste from the County Council's civic amenity sites for treatment at Donarbon's facilities. Existing staff from the Council's former transport contractor have come across to work for Donarbon and additional staff have been recruited to deal with the extra waste deliveries. Donarbon now employs 72 staff, keeping it well within the limits to be called an SME.

Mark Davenport, Managing Director for Donarbon said, "When the County Council confirmed their £35 million PFI credits, we understood the implications of bidding for this contract. However the PFI process has been complicated and costs have exceeded our initial expectations. It has been a huge piece of work for us; we only had a very small, but highly focused contract negotiating team, working with quality advisors; we have arranged

borrowing from the Bank of Ireland and established a new management structure, payroll system and terms and conditions for many staff, to meet the requirements of the contract. But with the successful award of the contract we feel confident of developing further our partnership working with the County Council."

The centrepiece of the contract will be the £41 million state of the art Mechanical Biological Treatment plant at Waterbeach, built by Nuttall with technology supplied by KELAG/VKW, which will sort and treat all residual household waste in Cambridgeshire, removing materials for recycling and possibly RDF, before producing a compost like material with the organic rich remainder. An education centre will be integral to the MBT plant. The contract also includes the expansion of Donarbon's ABPR compliant in-vessel composting system, supplied by Wasteology, at Waterbeach, the construction of another new waste transfer station at March, plus Donarbon taking on the day to day management of the County Council's civic amenity sites in April 2009, which alone will nearly double the size of the company's work force.

Bernard Warr, Head of Waste at Cambridgeshire County Council said, "Cambridgeshire has topped the national league tables for recycling and composting since 2003-2004 and we are on track to exceed our target of 50% for 2007-2008. But we still spend £7 million each year landfilling thousands of tonnes of rubbish that cannot currently be treated, a figure that is set to rise by £1 million in 2008-2009 due to recent Government landfill tax increases. We feel that working with a small local company offers excellent

opportunities for further partnership working and a high quality service and we expect this PFI contract will help ensure we reduce our reliance on landfill and meet our Government targets".

The PFI process has not put off Donarbon from continuing to look for future developments. Mark Davenport added, "Donarbon will continue to provide focussed support to our clients at all levels, and we expect to further develop waste systems for our adjoining county councils, with our long term strategy of being a regional waste company".

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