

## **Appendix 2 – Alternative Options**

- 1.1 MBC considered the following alternative Collection Solutions to the PCM:

Undertaking the PCM on its own  
 Undertaking the PCM with a single partner  
 Undertaking Comingled Collections on its own

- 1.2 The table below summarises the financial forecasts for each of these options showing the views with and without containerisation costs funded by MBC:

Description	Forecast Cost	Diff.to Baseline
Baseline	£ 3,770	0
Undertaking PCM on its own (including Container Funding)	£3,299	£471
Undertaking PCM with single partner (including Container Funding)	£3,174	£596
Undertaking Comingled Collections on its own (Including Container Funding)	£3,058	£712
MKJWP View	£2,866	£904

- 1.3 As KCC would not support these alternatives in favour of the PCM (as they do not maximise the efficiency of collection and disposal) then the costs above reflect MBC funding their own containerisation costs. (The Containerisation capital costs of implementing the PCM are forecast at £397k, and the annualised impact of this over ten years is to increase the costs by £41.6k.)
- 1.4 Clearly neither the 'PCM on its own' or 'Undertaking the PCM with a single partner' provide better overall value than MKJWP. The reduction in the amount of potential optimisation and the additional cost of containerisation funding adds cost onto the districts. Furthermore it is likely that the reduced contract size would attract less interest than the MKJWP and therefore the tender prices may actually be higher than those featured above.
- 1.5 The Co-mingled option provides MBC with potentially a lower contract cost but as this would not attract the additional KCC support funding the net cost to MBC of this option is higher than the MKJWP. The lower cost of contract reflects the simpler collection methodology and consequently lower resource level. However the co-mingled collection reduces the value and marketability of the collected material and increases processing costs, this option would not therefore be supported by KCC as the reduced cost of collection is far outweighed by the loss in material value.