

## Materials Recovery Facilities (MRF) Contract renewal

The responses to questions are a composite of session responses and paraphrase from the discussions and available guidance.

Question	Answer
<b>What do you mean by early dialogue with a Materials Recovery Facility (MRF) contractor?</b>	Amendments and updates to facilities can take MRF operators time following the security of a new contract and funding stream, given the procurement and commissioning and build periods. This is especially the case in a competitive market with operators trying to source similar equipment. Hopefully, if you're an existing contractual relationship, you will have had conversations about the impact of Simpler Recycling. If you haven't had that discussion, we'd recommend you do as soon as possible.
<b>Is it the renewal/ tender process that triggers investment?</b>	The legislative requirement to accept the full range of materials should have kick started early discussion on approaches to ensuring local authority compliance. Having a clear contractual specification is critical as a trigger for MRF operators to invest in the facility, along with complementary supporting documents. These need to be appropriate to your local situation, so while standard contract wording can be useful, check for anything irrelevant or superfluous.
<b>Are there any estimates to refit MRFs for Simpler Recycling?</b>	Estimates of facility upgrades differ because of the variation in MRF sizes and designs. Costs will vary according to factors such as the starting equipment in situ, its age and available space to add new lines or equipment.
<b>In the list of recommendations, you mention focusing on reducing contamination. What support have you got on that please?</b>	WRAP has a suite of documents on its Local Authority Support website pages that are useful here, including a guide, communication assets, crew training information. <ul style="list-style-type: none"><li>• <a href="#">Tackling contamination in dry recycling</a></li><li>• <a href="#">Good practice for contamination guidance</a></li><li>• <a href="#">A contamination case study</a></li><li>• <a href="#">A contamination checklist check list</a></li><li>• <a href="#">Train the trainer resource pack including Photos of contamination - training resource</a></li><li>• <a href="#">Recycle Now assets</a></li></ul>

<p><b>What is the possibility of my LA receiving no or limited numbers of tenders back? Why is that?</b></p>	<p>You may receive no or limited numbers of tenders back if your brief is unclear or unattractive such as tender documents being short term and very open in requirements. This is because the market for sorting is increasingly competitive, especially as increasing Workplace recycling volumes will require contracted capacity. This wastes your time and resources. Making your tender more attractive can include:</p> <ul style="list-style-type: none"> <li>• longer-term contracts, which provides investment security for operators;</li> <li>• maximising tonnage by collaborating with others,</li> <li>• timing your tendering process, so as not to face competition from other LA's trying to secure MRF contracts;</li> <li>• enabling operators to take in trial loads of your material to get a feel for composition and contamination.</li> </ul>
<p><b>What's the likely trajectory on gate fees for the future?</b></p>	<p>The last WRAP gate fees report was published in August 2025. The most recent survey closed in October 2025. What we've seen up to now is a year-on- year increase in gate fees and while it has slowed in recent years, but we can expect that increase to continue. We know that costs for operators are increasing with challenging inflation rates, energy costs and staffing cost increases. Any investment costs to upgrade MRFs will only add to gate fees but would be expected to be reduced over a longer contract term. However, recycling is still cheaper than sending material to disposal.</p>
<p><b>What sort of order of numbers of MRF contract renewals are coming up?</b></p>	<p>The last WRAP gate fees report reported that 2/3 of Councils would update their contract by the end of 2026. There are over 250 mixed collection schemes in operation in England of some design. Whilst some Councils may be able to extend their contracts there are still likely to be a large number of contracts to be renewed in the near future.</p>
<p><b>How have the MRF contract renewal tools been created and tested? The</b></p>	<p>The presentation from WRAP outlined the approach which involved extensive engagement with Local Authorities to understand needs and testing with operators.</p>
<p><b>What can LAs expect to see in the type of guidance WRAP are producing?</b></p>	<p>All the documents are written for an LA audience. The pre-procurement check is a step-by-step guide. The DMR model will be an Excel based tool for LAs to start to predict the impact of Simper Recycling DRS and pEPR changes on MRF feedstock.</p>

<b>Do the toolkits consider workplace recycling?</b>	<p>The WRAP tools don't break down into <i>household</i> and <i>workplace</i> recycling but consider recyclables in their entirety because many LAs already co-collect workplace and household recyclables.</p>
<b>How important do you think pre-market engagement is, and how has your view on this changed in the past few years?</b>	<p>Early engagement or soft market testing is important to help baseline cost expectations. In an increasingly competitive market, it's important know that regional capacity will be available.</p>
<b>What are the pros and cons of different procurement routes e.g. competitive dialogue vs an open approach?</b>	<p>When you undertake primary market engagement, if you identify factors that make you uncertain, these are what you'll want to hone-in on in your procurement exercise. That may lend itself to competitive dialogue. Explore this by talking to your procurement officers to potentially design a process to incorporate those dialogue stages. So long as you're clear on flexibility in your original documents, then you should be fine.</p>
<b>Which parts of the toolkit are most useful?</b>	<p>It depends on the LA's starting point - the support has tried to cater for all situations. The technical specification is helpful especially where LAs might have limited internal legal support and would have to carry out a lot of the work themselves. The toolkit could reduce reliance on consultancy support. The DMR model helps to estimate the composition of materials and potential future waste arisings.</p>
<b>As an operator, how do you think the toolkits will best help both operators and LAs work to achieving the goals of Simpler Recycling?</b>	<p>Having templates to increase standardisation in approach will be helpful. Often LAs bring in people to provide assistance for procurement to help with resourcing and knowledge gaps so costs can be significant.</p> <p>There's an emphasis on having conversations before going out to market, to sense check what's happening "out there", to help understand any changes MRFs are making, to be compliant with Simpler Recycling requirements. Flexibility in the contract is helpful, which is where contract dialogue is relevant. In terms of plastic bags and wrappings, you may not know what your collection system will look like, because you need to know what your sorting solution looks like and vice versa. Open dialogue can help reach a place where both parties are satisfied that the appropriate clauses allow for relevant change over the life of the contract.</p>

<p><b>What approach can we use to address future unknowns, for instance changes in waste composition?</b></p>	<p>With any contract, it's good to have regular review points. Recognising we have changing policies, the composition is likely change radically as we go through the next few years, even on a year-by-year basis. DRS will result in changes from 2027-28 compared to potential dry scheme tonnage changes in 2026-27. It's important to have conversations with your contractor. If you're going out to procurement, try to build in appropriate review points.</p> <p>The model doesn't predict changes – it's a <i>model</i>. We don't know what behaviour change will take place, but the model will give you insights. Consider your LA's attitude to market risk. This concerns the value of the basket of materials for recycling and the revenue for their sale. As we move to uncertain times for the value of the basket of materials <u>and</u> the composition of input material to MRFs, operators may be reluctant to take the full risk on the basket value. Fixed price contracts might be scarcer, with LA's having to take the burden of risk. This does mean considering how to manage the LA budget as costs may change. On risk share, operators are modifying contracts considering data from annual average contamination rates and composition changes. Moving to a month-by-month model will help with expected changes coming up.</p>
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Further questions were asked within the session and are available in the recording.

#### Key links for further information

Content	Link
WRAP MRF sorting guide	<a href="#">The Materials Recovery Facilities (MRFs) Sorting Guide   WRAP - The Waste and Resources Action Programme</a>
Additional links coming soon	