

NORTH LINCOLNSHIRE COUNCIL

WASTE CONTRACTS PROCUREMENT PROJECT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The object of this report is to confirm the level of interest shown in the contract notice placed by the council.
- 1.2 The key points in this report are:
- The council placed the contract notice on 19 March 2009.
 - The residual waste was advertised as Lot 1 and the organic waste as Lot 2.
 - Formal responses were received from fifteen organisations.
 - Five expressed interest in both lots, one in Lot 1 only and nine in Lot 2 only.
 - All the organisations underwent rigorous evaluation to assess their suitability for pre-qualification.
 - The numbers passing the pre-qualification stage are shown in Table 1.
 - The council will now seek submissions from these organisations detailing how they propose to treat the waste for each lot.

2. BACKGROUND INFORMATION

- 2.1 Current contracts let to deliver waste management services for the council are scheduled to terminate by 31 March 2011. The council decided to procure one contract for its recycling services and another for the treatment and disposal of residual and organic wastes. The treatment and disposal contract would be advertised first.
- 2.2 At its meeting of 11 March 2009 Cabinet approved the procurement strategy and timetable for the project. In accordance with this decision a contract notice in the prescribed format was sent to the Official Journal of the European Union for 19 March 2009. This was also advertised in local media.

- 2.3 Interested parties had until 27 April 2009 to register and submit their completed pre-qualification (PQQ) submission. By the deadline fifteen organisations had done so.
- 2.4 The Waste Contracts Project Board is satisfied that the council has received sufficient responses to continue with the process.

3. OPTIONS FOR CONSIDERATION

- 3.1 All the completed pre-qualification submissions were evaluated against the published criteria that were made available to applicants. Where there were any queries concerning insufficient or missing information these were followed up with the companies concerned.
- 3.2 Following completion of the evaluation process the outcome is shown below in Table 1.

Table 1 – Outcome of Pre Qualification Stage

Lot	Number of Applicants submitting a PQQ	Number of Applicants passing PQQ
1	1	1
2	9	7
Both Lots	5	5

- 3.3 The council strategy agreed at Cabinet on 11 March 2009 is to invite all Applicants who pass the pre-qualification stage to submit outline solutions. Therefore thirteen Applicants will be invited to the next stage.
- 3.4 The successful Applicants are shown in Appendix A.

4. ANALYSIS OF OPTIONS

- 4.1 The Project Board is satisfied that the process is being conducted in accordance with the governance arrangements agreed at Cabinet on 11 March 2009.
- 4.2 The number of Applicants to be invited to submit outline solutions is healthy for a waste project and our external advisors are confident that the waste market sector will respond positively at the next stage.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 The estimated contract value of all elements of this procurement assuming a 20-30 year arrangement is in the order of £150 million. The treatment facility could cost £30 - £50 million, dependent upon the technology and the cost of borrowing.

5.2 The financial implications to the council are the greatest risk. Whether it is penalties for exceeding our landfill allowance or being unable to successfully complete the procurement process, the sums involved could be significant.

5.3 The procurement risks will be managed through the Competitive Dialogue process.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 It is at the next stage when the council will know what technical solutions are being offered. These will outline the type of technology and facility, its location, the environmental impacts and its fit with the council's municipal waste strategy and objectives for the project.

6.2 A risk register is maintained and reports are presented to the Strategic Risk Management Group as necessary.

7. OUTCOMES OF CONSULTATION

7.1 The report is for information only. The Waste Contracts Project Board approves its contents.

8. RECOMMENDATIONS

8.1 Note the contents of the report.

SERVICE DIRECTOR NEIGHBOURHOOD & ENVIRONMENT

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Date: 28 May 2009

Background Papers used in the preparation of this report

Previous Cabinet reports on same subject

Applicants passing Pre-Qualification for Waste Services Contracts to provide for the treatment and disposal of municipal waste

Lot 1 – Residual Waste

Covanta Energy Ltd

Lot 2 – Organic Waste

County Mulch Ltd

May Gurney Environmental Services

Nordic Recycling Ltd

PDM Group

Shanks Waste Management Ltd

TEG Environmental

Vital Earth (Derby) Ltd

Both Lots

North Lincs Green Energy

Orchid Environmental

SITA UK Ltd

Sterecycle

Waste Recycling Group Ltd