

Cabinet

20 June 2012



**Durham County Council Waste
Programme Update**

Report of Report of Corporate Management Team

Terry Collins, Corporate Director, Neighbourhood Services

**Councillor Bob Young, Cabinet Portfolio Holder for Strategic
Environment**

**Councillor Brian Stephens, Cabinet Portfolio Holder for
Neighbourhoods and Local Partnerships**

Purpose of the Report

1. To update Cabinet on the activities of the Waste Programme particularly with respect to the procurement of new waste management contracts, the introduction of the new collection arrangements for recycling and other developments in waste collection.

Background

2. In March 2010 Cabinet initiated Durham County Council's Waste Programme to oversee and project manage a programme of works designed to meet the objectives of the County's Waste Management Strategy. The work of the waste programme was initially focussed on delivering a realistic business case for the procurement of new waste management contracts which would replace the current long term integrated waste management contract. The existing contract has been in place with the local authority waste disposal company (LAWDC), Premier Waste Management, since 1993 and passed its termination date some time ago.
3. A Waste Programme Board was established to bring the necessary level of governance to the programme and much progress has been made on the issues since. An update paper in March 2011 described progress, particularly with respect to the ongoing work with the LAWDC. A procurement business case was presented to Cabinet in March 2011 giving authorisation for the commencement of preparation for procurement activities with respect to the waste management contracts.
4. In developing the Medium Term Financial Plan (MTFP) proposals members of the Waste Programme team worked together with the Council's Strategic Waste and Collection managers to develop proposals relating to savings from waste management arrangements. In March 2011, when Cabinet approved the introduction of the new collection arrangements, the waste programme office was designated as project manager with the Waste Board providing governance and overview.

Procurement of New Waste Contracts

5. The following paragraphs provide an update on the procurement programme across 2012 and in particular the development of the residual waste treatment contract.

Overview of Procurement Programme

6. The procurement of new waste contracts will take place in a phased manner during 2012. This will allow for a controlled and orderly handover from Premier Waste and other existing contractors to the new set of contractors whilst still allowing service to be maintained. The programme includes re-procurement of the following waste management services:
 - i. Treatment and disposal of Residual Waste
 - ii. Household Waste Recycling Centre Operating Contract(s)
 - iii. Materials Recycling Facilities (for kerbside collected recyclables)
 - iv. Green Waste Facilities (for kerbside collected garden wastes)
 - v. Waste Transfer Stations (for the receipt and onward haulage of kerbside collected wastes).
7. The timetable for the tendering exercises is shown in Appendix 2. All of the procurement exercises will be complete by May 2013.
8. The procurement of the HWRC operational contract is being designed to deliver the new operational arrangements that have been developed during the recent HWRC review and as contained in the Cabinet report 'Review of Access to and Provision of Household Waste Recycling Centres' of April 2012.
9. The new contracts will allow the Council to introduce significant modernisation and improvement into the waste management service. This will be demonstrated in such areas as reducing reliance on landfill, increasing recycling and incorporating customer service issues as contractual commitments for example within the HWRC contract specification.

Residual Waste Contract - Overarching Principles

10. The first of the services to be re-tendered is contract for the treatment and disposal of residual waste, and this contract incorporates both the highest value and the highest risk in terms of delivery. The disposal route for residual waste has traditionally been to landfill however, this option is no longer sustainable either in environmental or financial terms. The rate of increase of landfill tax is £8/tonne/year. This rate of increase is currently guaranteed until the rate reaches £80/tonne and this will remain a 'floor' until at least 2020. The tender process for a residual waste treatment contract therefore must find an alternative to landfill for the 140,000 tonnes of residual waste collected in the county each year.
11. The contract principles for the residual waste treatment contract have been developed through cross departmental working involving council officers from Strategic Waste, Corporate Procurement, Legal Services, Finance and

Streetscene, supported by external expertise where appropriate, and has also incorporated learning from other major procurement exercises.

12. The most significant issues for consideration have been set out below as applicable to the residual waste contract. It should be noted that the approach developed for each of these will also form the basis and structure for each of the subsequent procurement exercises.
13. The overarching principles of the procurement process for the Treatment of Residual Municipal Waste are as follows:
 - i. To provide a residual waste management service in which value for money and service performance are embedded
 - ii. To reduce the amount of waste disposed of within landfill
 - iii. To increase the recycling and recovery of materials to contribute to the achievement of the Council's targets
 - iv. To provide a service that is flexible
 - v. To encourage competition from the local supplier base
 - vi. To provide a safe and effective residual waste management service that delivers an assured outlet for the Council's waste at all times

Contract Structure

14. The main elements of the contract are as follows:

Contract Element	Purpose
Contract Document	Setting out terms and conditions of the contract
Payment Mechanism	Setting out how the contractor is paid for the services
Authority Requirements	Comprising principally the contract specification and the performance management framework.
Contractors Proposals	Produced by the Contractor and setting out how the contractor will deliver the Authority's requirements through method statements and operational plans.

Contract Principles and Risk Share

15. The Residual Waste Treatment Contract document is based upon the latest version of the Waste Infrastructure Delivery Programme (WIDP) standard form contract issued by DEFRA in November 2010. This is acknowledged as the leading industry standard incorporating current market practice for the allocation of risk between contracting parties.
16. In terms of the current procurement exercise the key amendment to the WIDP contract is that the Council wishes to contract only for the provision of waste management services, to be provided via an existing commercially operated facility, and not the provision of infrastructure. Accordingly, the WIDP contract has been amended to reflect this with no requirement for a new bespoke facility to be built. This has benefits for the Council in terms of cost and flexibility and is a common approach outside of the PFI/PPP style projects.

17. The contract ensures that there is maximum risk transfer from the Council to the Contractor within the constraints of what is considered commercially deliverable on a contract of this sort.
18. The key points of risk considered within the contract relate to the bidder's ability to deliver the service without interruption and the Council's ability to make changes in the event that service is not satisfactory.
19. Appendix 3 sets out the key areas of risk facing the Council in a project of this nature and provide a short explanation as to how the Contract has been drafted to mitigate that risk in terms of the obligations it transfers to the Contractor.

Summary of the Specification

20. In addition to the contract terms above, the contractor must adhere to a detailed operational specification which will include for all aspects of the waste management service including the acceptance and delivery of wastes, contingency arrangements in the event of an emergency situation, reporting and communications protocols, health and safety issues and quality and environmental management. A summary of the specification is outlined in Appendix 4.

Payment Mechanism

21. The payment mechanism sets out how the Contractor(s) will be paid and how financial penalties for performance failure will be affected.
22. The Contractor(s) will receive monthly payments in respect of the net amount of:
 - i. Waste treated
 - ii. Additional opening charges (if outside of contract hours)
 - iii. Financial penalties
23. Financial penalties will be imposed in accordance with the performance management framework. Penalties vary according to seriousness of the failure and increase in value if the failure is repeated. Total penalties will be capped in accordance with normal commercial practice.
24. Gate fees, additional opening charges and financial penalties will be subject to indexation in accordance with the provisions of the contract.

Procurement Process - Evaluation of Bidders Responses

25. Contractors will be subject to a prequalification process that will require them to provide details of their organisation and their experience in the provision of the Treatment of Residual Municipal Waste.
26. Following prequalification a pre-determined number of contractors will be invited to submit a tender. Further information detailing the Council's requirements will be included in the tender document and the contractors will be required to respond to a number of questions that are based on the specification.

27. The weighting criteria for the evaluation of the bids for this service will be based on a ratio of 60% price and 40% quality. Quality evaluation will be further broken down to contract elements with details presented in Appendix 5.
28. The price submitted by the Contractors will be a rate per tonne (Gate Fee). During evaluation the basic rate will be subject to a transport adjustment to account for the distance travelled to deliver the waste to the facility. The transport adjustments will ensure that if the Contractor(s) delivery point is beyond the distance specified by the Council, their price will be adjusted to allow for the additional transport costs that the Council will incur. This not only incentivises contractors to provide local delivery points and reduced mileage wherever possible but also encourages transport efficiency and the associated environmental benefits.
29. The Quality scores will consider the contractors proposals in terms of the deliverability of the overall solution proposed, the operational management of the council's waste, the ability to deliver to the specification, health and safety proposals and the management systems offered.

Waste Collection Developments

30. The waste collection service is undergoing a period of significant change and improvement, principally in the implementation of new, alternate weekly, collection arrangements. An update on this process, along with progress on other key issues within the services is in the following paragraphs.

Implementation of New Collection Arrangements

31. The implementation of the revised County-wide collection arrangements has been a large and complex project that affected each of the circa 235,000 households in the County. The project has provided significant savings in collection and disposal costs, contributing directly to the MTFP savings programme, with further savings to be delivered over time as a result of increased recycling and reduced residual waste disposal.
32. The multi-disciplinary project team included operational staff and essential support from teams involved in project management, procurement, communications, customer services, policy, finance, fleet and health and safety.
33. An implementation plan was developed through the Waste Programme. The principal elements of the plan are listed below and the progress against each element is reported in the subsequent paragraphs:
 - i. Route design and optimisation
 - ii. Human resource implications
 - iii. Distribution of new bins
 - iv. Phased implementation

- v. Communications
- vi. Customer Services
- vii. Vehicles requirements
- viii. Health and Safety implications

Route design and optimisation

34. The project required the re-routing of every collection round in the county to facilitate the move to an alternate weekly collection system and to optimise collection efficiency by breaking down old district boundaries, organising collection areas on a zoned basis and introducing a four day collection week.
35. The resulting new routes and collection arrangements are now in place and involve all areas working Tuesday to Friday on a four day working week.
36. Significant work was carried out to identify and communicate with those properties that could not be readily accommodated into the main alternate weekly collection rounds due to legitimate access or storage problems. There were approximately 4,000 such properties, which included:
 - Flats and properties of multiple occupation,
 - Mixed commercial and residential properties
 - Student areas
 - Durham City Centre and other shopping centres
 - Certain high density housing areas
37. Properties to be treated separately were assessed on an individual basis and solutions identified have been incorporated into the new rounds whilst still maximising recycling opportunities for residents.
38. New arrangements have also been necessary for the Council's 2,600 trade waste customers that differentiate between customers who are able to move to the alternate weekly collection scheme along with households from those which cannot; due either to the nature of the waste being handled or the type of business concerned. These new arrangements are subject to ongoing communication through the contract renewal process which commenced in January 2012. The trade waste service will undergo a further root and branch review once the new arrangements have bedded in to ensure that the service both meets the needs of the customer, and also provides an appropriate return for the Council.

Human Resource Implications

39. Following the staff ballot in June 2011, which achieved support for the implementation of AWC, a Local Agreement with trade unions was put in place dealing with all the staff and HR issues that arise. It is proposed that the staffing complement be reduced by 42 once the new collection arrangements have had time to bed in and this will be achieved without the need for compulsory redundancies.

40. As the new routes have been developed staff has been allocated to crew the vehicles and rounds, which involves some changes for staff including a requirement for some to move depots. All relocations have been allocated using mechanisms agreed in advance by working with HR and union representatives, and in line with the Local Agreement, the aim has been to minimise relocation of staff.

Distribution of bins

41. Distribution of the new blue lidded bins started on the 1st February with the distribution crew supported by a 'pilot' who was there to guide and provide quality assurance along with 'roving recyclers' to provide advice to residents and promote recycling. These frontline teams were supported by customer services handling calls and dedicated back office teams following up on specific and more complex resident queries.
42. Progress throughout the distribution has been ahead of schedule and distribution was completed Wednesday 25th April.
43. A further procurement of trade recycling bins and a greater stock of smaller bins to facilitate residents with less waste or space have also been delivered and are currently being distributed.

Phased implementation

44. The introduction of the actual Alternate Weekly Collections to residents was phased across the 3 streetscene areas and commenced in the North on Tuesday 3rd April 2012, in the South on Tuesday 1st May 2012, and in the East on Tuesday 12th June 2012.
45. Contamination of recyclable material in the new wheeled bins by those who do not understand or who are unwilling to adapt to the new system has been identified as a significant risk with some localised issues arising and handled through a focused approach to resident liaison/education.
46. With the distribution being complete roving recyclers are now working in areas where recycling levels are historically low using local intelligence as these areas pose the greatest likelihood for future contamination.

Communications

47. A marketing and communications plan was developed to support successful operational implementation of the new collection arrangements. Effective communications of the changes to the services have been essential to deliver the transition as smoothly as possible. Examples of the branding and style of the communications campaign are included as Appendix 6.
48. Communications have been delivered in a phased manner from January 2012, with each individual element of the activity addressing a particular communication requirement and the message building in a planned process in order to:
 - Change behaviour: ensure residents understand/accept/use the new system of household waste collection,

- Increase uptake: increased recycling rates where it has been introduced,
 - Relay information: ensure residents receive relevant, timely information about the changes and the impact it has on them,
 - Encourage involvement: use communication and engagement to secure buy-in to the new collection arrangements, thus minimising complaints and negativity about the service. Minimise potential negative reputational impact.
49. The principal public communication was the Council's Guide to Services, which was distributed in January 2012 and which is delivered to every household in the County. The 2012 edition included a separate information leaflet specifically related to collection arrangements as a stapled-in insert.
50. The second principal communication to householders was delivered alongside the new bins, providing specific operational detail including the new collection day, starting date, calendars, receptacles and what goes where.
51. These specific communications have been supported by a wide ranging awareness campaign incorporating mechanisms such as signage on the side of collection vehicles, press campaigns and the like.

Customer Services

52. The Customer Services interface has been essential in offering effective information to members of public. Representatives of the customer services team were involved in the preparation of the implementation plans from an early stage so that effective planning for the increased customer contact could be effected.
53. Evidence from other authorities that have implemented alternate weekly collection arrangements showed that the volume of calls received can increase significantly, typically by up to 3 times. It was therefore anticipated that additional resources would be required during the publicity and implementation phases.
54. To enable the call centres to access the correct information, the details of the new routes were entered into the My Durham system during December 2011 and the early part of 2012. This meant that by the time the Guide to Services was delivered, the actual house by house information was available to customer service operators. Contact centre procedures were updated, including Customer Relationship Management (CRM) information relating to properties and scripts for staff were developed with frequently asked questions (FAQs) and answers.
55. In the actual phases of distribution this preparation has proven to be invaluable as the number of actual calls has increased consistently in line with the number of bins being distributed and the commencement of new collections. Despite the rapid increase in enquiries however service monitoring shows that over 92% of customers' telephone enquiries relating to the new collection arrangements have been handled at the first point of call, with only the remaining 8% involving a work request to the back office services.

Vehicle Requirements

56. Thirteen new split bodied refuse collection vehicles (RCV) have been ordered to provide the fleet requirements for the new service. Six of these vehicles have already been delivered, with the remainder programmed to take place by end of May 2012.
57. Improvements in Health and Safety standards require the caged recycling vehicles currently used on recycling rounds in the Teesdale and Wear Valley areas to be phased out and this has been achieved through the delivery of the new vehicles.

Health and Safety implications

58. The move to alternate weekly collection system requires changes to working practices and the Neighbourhood Services Health and Safety management of change procedures will be followed.
59. The key changes are as follows:-
 - New Routes, which are unfamiliar to crews. A process of familiarisation has commenced in advance of the start dates in each area.
 - Changes in loading arrangements. Staff have been familiarised with any changes to loading arrangements and safe working practices prior to launch dates.
 - A programme of route specific risk assessments for the new rounds has been developed and aligned to the process for route design and review process.
 - Staff may be exposed to increased stress as they adapt to the new working practices and potentially due to problems with residents on the street and plans will be developed to monitor and manage this situation. Additional training for crews in dealing with adapting to the new arrangements and the potential reaction on the street has been arranged through Waste & Resources Action Programme (WRAP), the government's waste advisory service.
60. Health and safety issues such as personal protective equipment (PPE), welfare, safety monitoring and accident investigation will not change.

Further Developments in Collection Services

Garden Waste Collection

61. During the design and implementation of the alternate weekly collection arrangements, a conscious decision was made not to include garden waste within the process. This was necessary as the garden waste collection system is organised on separate rounds using different vehicles, crews and delivery points.
62. It is recognised, however that the garden waste collection system, although successful where implemented, is not currently available to all households, or

all areas. As the new arrangements for recycling and residual waste are rolled out and established, the provision of the garden waste collection service will be reviewed with a view to increasing coverage where feasible and improving operational delivery. This review will be timely in terms of the interaction with the procurement programme and the provision of new green waste treatment outlets.

Weekly Collection Support Scheme

63. On 29th September, 2011, Communities Secretary, Eric Pickles announced that the Department of Communities and Local Government (DCLG) would make £250m available to help English councils 'keep or restore weekly bin collections'. The detail that followed this announcement was released in February 2012 and demonstrated that while the funds available were highly unlikely to bring any benefit to the Council with relation to residual waste collection, the fund did provide an opportunity to explore a supplementary collection service through the separate collection of food waste. This kind of service has been delivered successfully elsewhere in the country and has the potential to significantly increase recycling performance. Opportunities for joint working with neighbouring councils on this type of scheme are also being explored through the regional waste networks.
64. An expression of interest was therefore submitted in this based by the deadline of 16th March 2012. This will be followed by Outline and Detailed applications in May and August respectively, before the results of the funding allocation are announced in October 2012.

Recommendations

65. That Cabinet note the progress made by the Waste Programme towards the tendering of new waste management contracts, the implementation of the new collection arrangements, and other developments in waste collection.

Background papers

Cabinet Report: Waste Strategy Addendum, March 2010

Cabinet Report: Waste Project Update, March 2010

Cabinet Report: Divestment of LAWDC, September 2010

Cabinet Report: Waste Programme Business Case - Delivering the Waste Strategy, March 2011

Cabinet Report: Review of Access to and Provision of Household Waste Recycling Centres, April 2012.

Contact: Alan Patrickson Tel: 0191 370 8953

Appendix 1: Implications

Finance

The principal financial implications relating to the procurement project will arise through the tendering process. New contracts will provide price certainty into the future and guard against the circa £1.2m increase in landfill tax charges that the Council would otherwise have potential exposure to. Long term financial benefits will also be gained through the certainty of supply for recyclable materials, with a guard against market fluctuations in secondary material process.

The HWRC site review and the associated rationalisation of site provision are anticipated to deliver in the region of £1.3m to £1.6m savings over current costs. This will be subject to the process of market testing through competitive tender to ensure best value is achieved.

Operational cost savings of circa £950k will be achieved through the implementation of the alternate weekly collection project in line with the Council's MTFP. The new collection arrangements will also reduce waste disposal costs and increase income from recycling. The total overall benefit to the Council over the five year MTFP period is estimated at being between £9 to £12m.

Staffing

There will be TUPE implications involved in a number of the procurement projects although these will not directly affect Council staff.

The implementation of new collection arrangements will have implications for collection crews as outlined in the report.

Risk

There are significant risks involved with these projects and both are identified in the corporate risk register. Risk management issues are reported monthly at the Waste Programme Board so that Corporate Directors and Portfolio Holders are aware of issues as they arise.

Equality and Diversity / Public Sector Duty

There are no equality and diversity issues to be considered as part of this update. EqlAs have, and will be, produced for specific decisions relating to the projects as they arise.

Accommodation

None

Crime and Disorder

None

Human rights

None

Consultation

None

Procurement

Corporate procurement continues to be fully involved with the design and implementation of the procurement projects as part of the Waste Programme Team. Individual elements of the documentation and process are subject to monthly scrutiny through the Waste Programme Board

Disability Issues

None

Legal Implications

The principal legal implications for the projects lie in procurement and contract issues. In the case of the former, representatives of the corporate legal department have been fully involved in the project team to assist with the procurement design. For contract preparation, the in-house legal team has been supplemented by experts from law firm Dickenson Dees to ensure the most up to date commercial terms are obtained.

Appendix 2 : Procurement Timetable for Waste Programme

- OJEU notices for each contract will now be issued as follows:

Residual Waste	March 2012
Household Waste Recycling Centres (HWRC)	June 2012
Garden Waste (collected at kerbside)	July 2012
Dry Recyclables (recyclate collected at kerbside)	July 2012
Waste Transfer Stations	September 2012

- Contract award for each contract is anticipated as follows:

Residual Waste	November 2012
HWRC	December 2012
Dry Recyclables	February 2013
Garden Waste	December 2012
Waste Transfer Stations	April 2013

Appendix 3: Contract Principles and Risk Issues relating to the Residual Waste Contract

Contract Term

It is anticipated that the term of the Contract will be eight years with an option for the Council to extend that term by a further period of up to four years upon the provision of appropriate notice to the Contractor. This provides the Council with the flexibility to plan and adapt its waste management arrangements during the term of the Contract before deciding whether it is appropriate to extend the Contract or not.

Consents

The Contract provides that it is the sole responsibility of the Contractor to obtain and comply with all necessary consents, permits and planning permissions which are required in connection with the provision of the services.

Development Works

The Council will consider accepting solutions where the Contractor proposes to undertake specified works to an existing or partially constructed facility in order to provide the services. The key risk from a Council perspective in this scenario is that the delivery of services under the Contract could be delayed due to a corresponding delay or failure to complete the necessary works. The Council is to mitigate these risks at the tender stage by specifying that only proposals that already have the benefit of full planning permission will be considered and then only if the bidder is able to demonstrate satisfaction that such works will be completed in sufficient time to ensure the services can be delivered. By means of further protection for the Council the Contract places a duty on the Contractor to take all reasonable steps to mitigate the consequences of any delay that does arise and to provide alternative service arrangements to ensure continuity.

Principal Obligations

The Contract creates an overarching obligation on the Contractor to deliver the services at all times in accordance with Good Industry Practice and all applicable Legislation. These are standard obligations which ensure that the Council has maximum protection to ensure that its statutory obligations as a Waste Disposal Authority are discharged. The Contractor is obliged to accept all municipal waste delivered to it by or on behalf of the Council up to an agreed Maximum Tonnage. The maximum tonnage has been carefully analysed using waste flow modelling and incorporates factors of safety against a range of scenarios.

Health and Safety

The Contractor is required to comply with all applicable Health and Safety laws and specific published HSE guidance. The contractor will be subject to Council inspection and audit and will comply with a detailed operational specification.

Payment

The Council will pay the Contractor on a price per tonne of waste delivered. This will be subject to a lower limit in terms of an annual Minimum Tonnage, in order to provide the Contractor with a guaranteed minimum income under the Contract. This shall apply regardless of whether the minimum tonnage is actually delivered or not. The minimum tonnage has therefore been carefully modelled to ensure that it falls well below the expected actual tonnage.

The minimum tonnage mechanism is more flexible for the Council than the usual alternative, which is to grant a contractor exclusivity over the waste, especially where the tonnage is being offered in lots, as is the case here.

The payment made to the Contractor will be subject to performance deductions in the event that either the Contractor does not achieve an annual target in terms of diversion from landfill or in the event that it fails to achieve specified KPIs in terms of its day-to-day operation of the Contract as measured by the Performance Mechanism. The Contractor retains risk relating to the costs or income received from disposal or sale of outputs from the treatment processes. These risks/benefits will be reflected to the Council through a single guaranteed gate fee.

Termination

The Council can terminate the Contract on any of the grounds of Contractor Default as specified in the Contract. These include insolvency on the part of the Contractor, or where the Contractor's performance in line with the Council's requirements (including in relation to targets for the recovery of waste from landfill or the processing of a minimum volume of waste at the Contractor's Facility) has been so poor that it breaches agreed thresholds.

Change in Law

The Contract includes standard provisions for what would occur in the event that any changes in legislation have a material or adverse impact on the Contractor's ability to perform its obligations under the Contract or the Council's ability to deliver the waste.

Indemnities

The Contractor is responsible for and shall indemnify the Council against all liability arising from death or personal injury; loss of or damage to property; and third party actions, claims or demands which may arise out of the performance or non-performance by the Contractor of its obligations under the Contract.

Appendix 4; Residual Waste Treatment Contract

Summary of Specification	
Contract Capacity	<p>The Contractor(s) must demonstrate that it has secured adequate capacity at either its own site or other third party merchant plants for the contract period and that it has a legal right to use the proposed facilities for the intended use. If the Contractor(s) intends to build capacity for the Council's requirements, it must confirm that planning permissions have been obtained.</p>
Division into Lots	<p>The competitive process will be encouraged by separating the contract into lots which provides opportunities for SME's to participate in the process without disadvantaging the larger contractor. This approach also increases the ability to deliver value for money through the contract, assists with risk management and enables contracting options to be assessed in the market place.</p> <p>The preferred lots solution is as follows: Lot 1 30ktpa Lot 2 45ktpa Lot 3 75ktpa Lot 4 150ktpa</p> <p>Contractors will therefore be able to bid for 1 or 2 lots from lots 1, 2 and 3 or bid for the whole tonnage i.e. lot 4. It should be noted that Lots are not based directly on a geographic split and the Council reserves the right to manage its waste transfer operation as it sees fit.</p> <p>The tonnage bands are nominal in terms of defining the solution, with actual tonnage bands to be confirmed from the waste flow model to account for variations over time.</p>
Markets for Waste	<p>The Contractor(s) is required to demonstrate that there are secure markets for each of the output materials resulting from the treatment of the residual waste. They must further evidence that a strategy exists to replace or renew that market upon expiry. The Contractor(s) shall be responsible for ensuring an auditable trail exists to show how waste has been managed in accordance with necessary licences, legislation, good industry practice and duty of care.</p>
Operational Activity	<p>The Contractor(s) is required to provide a delivery point for the receipt of the waste within a specified distance. Clear procedures will be in place to monitor the weight of the waste delivered to the contractor. The Contractor(s) will be required to provide facilities that are appropriate for the tonnage they are able to accept and Waste Delivery Times and Turnaround Times are prescribed.</p>

Summary of Specification

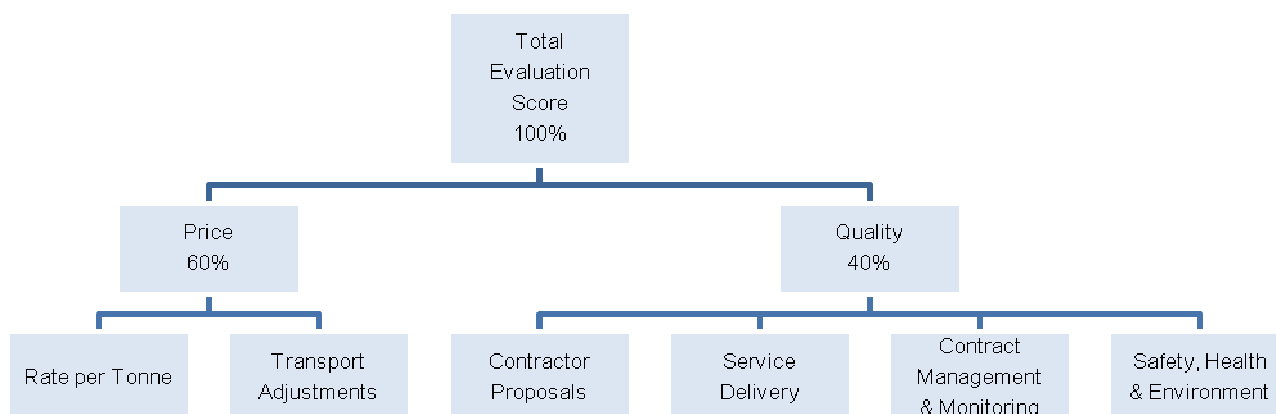
Reporting Mechanisms	The Contractor(s) will be required to operate a real time web based reporting system to capture and record data. The Council will have secure access to this system to review tonnage and performance data. The Contractor shall also provide performance data on a monthly basis and an Annual Service Report.
Quality, Environmental and Health & Safety (QEMS)	The Contractor(s) is required to develop and maintain an accredited integrated Quality, Environmental and Health & Safety Management System which will be reviewed annually. The Council will verify H&S compliance on both a pre planned and unannounced basis.
Contract Management	The Contractor(s) will provide to the Council a Contract Management Plan which details the operational management structure and key personnel. The Contractor(s) will meet with the Council and any key Contractors that will interface with their service on a monthly basis.
Communication	The Contractor(s) is required to produce a Communication Strategy which shall include identification of key stakeholder groups, key messages, how the Council's reputation will be protected and the identification of the roles and responsibilities of those involved in the communication between the parties.
Contingency Arrangements	In the event of the Contractor(s) being unable to accept waste at their usual facility for any reason, they shall ensure that contingency arrangements are in place to allow waste to be accepted at the agreed rate and in accordance with the contract. The Contractor(s) will be required to present a Contingency Plan that identifies potential risks and how these will be mitigated.

Appendix 5: Evaluation

Following the issue of a Contract Advertisement via the Official Journal of the European Union (OJEU) and the NEPO portal, Contractors will be invited to complete a Pre Qualification Questionnaire (PQQ) that will require them to provide details of their organisation and their experience in the provision of the Treatment of Residual Municipal Waste in accordance with the tonnage they are bidding for.

Following the evaluation of the PQQ, a pre determined number of Contractors will be invited to submit a tender. Further information detailing the Council's requirements will be included in the tender document and the Contractors will be required to respond to a number of questions that are based on the specification.

The weighting criteria for the evaluation of the bids for this service will be based on a 60:40 ratio of price:quality.



The price submitted by the Contractors will be evaluated on the rate per tonne (Gate Fee) and any adjustments necessary in association with the transport costs. The transport adjustments will ensure that if the Contractor(s) delivery point is beyond the distance specified by the Council, their price will be adjusted to allow for the additional transport costs. This not only incentivises contractors to provide local delivery points wherever possible but also encourages transport reduction and the associated environmental benefits.

The Quality scores will consider the contractors proposals in terms of the deliverability of the overall solution proposed, the operational management of the council's waste, the ability to deliver to the specification, health and safety proposals and the management systems offered.

Quality – Contractor's Proposals. This section will require the Contractor(s) to demonstrate their reliability and confirm their capacity to take residual waste over the full term of the contract. They will also have to show how they will meet the standards set in the Performance Management Framework and how improvements to the service will be delivered over the contract period.

Quality - Service Delivery. The Contractors will be required to evidence how they will meet the specification provided in the Invitation to Tender. The questions will draw out the following key elements in relation to the Council's specific requirements:

- i. The Contractors markets for waste/output materials
- ii. A full description of their operational activity
- iii. Reporting mechanisms and their ability to deliver this through a reliable ICT system
- iv. Full details of their QEMS system including site visits
- v. An effective communication strategy which demonstrates that they have knowledgeable key personnel
- vi. A robust contingency plan which clearly demonstrates the Contractor's understanding of the risks associated with being unable to accept the Council's municipal waste and how they will be mitigated.

Quality - Contract Management and Monitoring. This section will ask the Contractors how they intend to manage the contract and this must take into consideration the interfaces that will exist with any key contractors that are subsequently appointed to provide the associated services such as the waste transfer station contractor.

Quality - Safety, Health and Environment. The Contractors will be required to provide information on how their Health & Safety policies and procedures apply to the specifics of the delivery of this service. They shall also have to provide details of their Quality Plan, Environmental Impact Control Plan, Health and Safety plan and their site rules. All of this information will be evaluated by the Council's Health and Safety team who will also visit the sites to confirm that the policies provided are actually put into practice.

Changes to your Bin Collections

**The way we
empty your bins
is changing.**

Between April and June we're introducing a new collection system throughout the whole of County Durham.

We'll be taking items for recycling one week, and the following week your non-recycling rubbish bin will be emptied.



call: 03000 26 1000
www.durham.gov.uk/bins



Altogether greener