

GM WASTE AND RECYCLING COMMITTEE

Date: 16th January 2020

Subject: Biowaste Treatment Capacity Procurement – Part A

Report of: Paul Morgan, Head of Commercial Services, Waste and Resources Team

PURPOSE OF REPORT

To provide the Committee with the information to approve the commencement of the procurement of replacement Package B biowaste call-off contracts lasting two years each.

RECOMMENDATIONS:

The Committee is recommended to:

1. Note the report and endorse the procurement approach as set out in sections 2 and 3 to the report.

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Risk Management – considered in the body of the report.

Legal Considerations – considered in the body of the report.

Financial Consequences – Revenue – considered in the body of the report.

Financial Consequences – Capital – considered in the body of the report.

Number of attachments to the report: (0)

BACKGROUND PAPERS: 0

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes / No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

1. INTRODUCTION

1.1 GMCA procured c125ktpa of biowaste treatment capacity at pre-existing mercantile facilities. This procurement was designed to offer certainty to the market despite the quantities of biowaste arising being difficult to forecast. A three-stage approach was adopted that:

- Appointed suitably qualified biowaste processors to a framework; and
- Once appointed, encouraged processors to bid for tonnage within the 'A Packages' (see below); and/or
- Bid for tonnage within the 'B Packages' (see below).

1.2 To be appointed as a framework processor companies had to demonstrate they could process materials to the required standards, had sufficient capacity to manage varying quantities of materials and had the necessary permits and permissions in place.

1.3 To provide certainty to the market two tonnage packages were defined. These were based on detailed analysis of biowaste arisings over several years identifying with as much confidence as possible:

- A core of biowaste tonnage that could be guaranteed each month (the A Packages); and
- A number of smaller packages that accounted for seasonality in biowaste quantities (the B Packages).

1.4 A Packages differed in their sizes to enable processors of different scale to bid (to encourage competition) whereas B Packages were fixed. For both packages a guaranteed minimum tonnage (GMT) was offered as well as a maximum.

The process generated:

- Nine framework contractors;
- Three contractors awarded the eight A Packages; and
- Four contractors awarded the six B packages.

1.5 The A Packages were awarded for 38 months from June 2019 whereas the B Packages were awarded for 14 months and expire on the 31st May 2020.

1.6 It is therefore time to commence the procurement process to re-let the B Packages.

2. THE PROCUREMENT PROCESS

2.1 The procurement will be run via an electronic procurement portal to administer and manage the process (previously this was The Chest).

2.2 Bidders will be provided with a procurement pack containing:

- An Invitation to tender (ITT) document containing:
 - Background information;
 - Important notices;
 - An overview of the call-off (included proposed conditions of contract);
 - The procurement process and how bids will be evaluated;
 - Response requirements; and
 - The bid forms

- A response documents containing:
 - A supplier questionnaire;
 - Technical requirements;
 - Financial response;
 - Contractual response; and
 - Declarations

3. PROCUREMENT TIMETABLE

3.1 The indicative procurement timetable is as follows:

Table 1: Indicative Procurement Timetable

Activity	Commencement	Completion
Approval to commence procurement	January 2020	January 2020
Preparation of documents	February 2020	Mid-March 2020
Engagement with framework contractors	February 2020	February 2020
Open The Chest and invite bidders	Mid-March 2020	Mid-April 2020
Submission of call-off responses		
Evaluation of call-off response	End-April 2020	
Award of call-offs	Early May 2020	
Service commencement	June 2020	May 2022

4. RECOMMENDATIONS

4.1 The recommendations are set out at the front of the report.