



**CHESHIRE EAST COUNCIL**

**The Provision of an Organic Waste Treatment Solution**

**ANTICIPATED PERIOD: April 1<sup>st</sup> 2017 - 31<sup>st</sup> March 2034**

**INVITATION TO PARTICIPATE IN DIALOGUE**

**and**

**INVITATION TO SUBMIT OUTLINE SOLUTION**

**and**

**DESCRIPTIVE DOCUMENT**

**(together referred to as "ITPD")**

**This document incorporates the Council's Invitation to Participate in Dialogue, Invitation to Submit Outline Solution and Descriptive Document and forms part of the Council's Procurement Documents. It is provided along with the Background Information.**

**This document is issued simultaneously to all those organisations invited to participate in dialogue and follows a Contract Notice published in the Official Journal of the European Union on 24<sup>th</sup> May 2016.**

Cheshire East Organic Waste Treatment Solution	ITPD	Notice
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## NOTICE

This Invitation to Participate in Dialogue (ITPD) has been prepared by the Council for use by the Bidders to assist them in preparing solutions for the Organic Waste Treatment Solution. All intellectual property rights in the ITPD and associated documents belong to the Council.

Unless otherwise specified, all defined terms are set out in the glossary of terms in Appendix 1 or in Schedule 1 (Definitions) Document 4b of Document 4a the draft Contract.

Bidders' attention is drawn to the fact that, by issuing this ITPD, the Council is in no way committed to awarding the contract for the Organic Waste Treatment Solution and reserves the right to abandon the tendering process at any point. The Council is not liable for any costs whatsoever resulting directly or indirectly from any abandonment or re-procurement of this tendering process nor for any other costs incurred by those expressing an interest in or tendering for the Project up to and including the time of abandonment of the tendering process.

Cheshire East Organic Waste Treatment Solution	ITPD	Notice
---	------	--------

## CONTENTS

<b>PART ONE – INTRODUCTION &amp; BACKGROUND .....</b>	<b>6</b>
<b>1. INTRODUCTION AND PROJECT INFORMATION .....</b>	<b>6</b>
<b>2. THE ITPD DOCUMENTS .....</b>	<b>6</b>
<b>3. INDICATIVE PROCUREMENT TIMETABLE.....</b>	<b>7</b>
<b>4. PROJECT INFORMATION .....</b>	<b>8</b>
<b>5. PROJECT OBJECTIVES.....</b>	<b>9</b>
<b>6. COUNCIL’S KEY REQUIREMENTS.....</b>	<b>9</b>
<b>7. SCOPE OF SERVICES.....</b>	<b>10</b>
<b>8. FUNDING SOLUTION.....</b>	<b>10</b>
<b>10. APPROACH TO THIRD PARTY INCOME .....</b>	<b>12</b>
<b>11. MANDATORY REQUIREMENTS FOR OUTLINE SOLUTIONS.....</b>	<b>12</b>
<b>12. ITSOS REQUIREMENTS .....</b>	<b>13</b>
<b>13. STAFF AND TUPE.....</b>	<b>14</b>
<b>PART TWO COMPETITIVE DIALOGUE AND IMPORTANT NOTICES.....</b>	<b>15</b>
<b>14. OVERVIEW .....</b>	<b>15</b>
<b>15. INVITATION TO SUBMIT OUTLINE SOLUTION (ITSOS).....</b>	<b>16</b>
<b>16. OUTLINE SOLUTION AND INVITATION TO SUBMIT DETAILED SOLUTION (ITSDS).....</b>	<b>16</b>

Cheshire East Organic Waste Treatment Solution	ITPD	Notice
---	------	--------

<b>17. FAIR COMPETITION AND CONFIDENTIALITY.....</b>	<b>16</b>
<b>18. DISCLAIMER .....</b>	<b>17</b>
<b>19. CONFIDENTIALITY .....</b>	<b>18</b>
<b>20. DISCLOSURE OF INFORMATION .....</b>	<b>18</b>
<b>21. BIDDERS – CHANGES FROM PQQ ASSESSMENT.....</b>	<b>19</b>
<b>22. CONSISTENCY OF INFORMATION.....</b>	<b>20</b>
<b>23. BIDDING COSTS .....</b>	<b>20</b>
<b>24. NO CONTRACT .....</b>	<b>21</b>
<b>25. CANVASSING.....</b>	<b>21</b>
<b>26. NON-COLLUSION .....</b>	<b>21</b>
<b>27. COPYRIGHT .....</b>	<b>22</b>
<b>28. PUBLICITY.....</b>	<b>22</b>
<b>29. COUNCIL’S RIGHT TO REJECT/ABANDON.....</b>	<b>23</b>
<b>30. AMENDMENTS TO THE ITPD DOCUMENTS.....</b>	<b>23</b>
<b>31. SUB-CONTRACTORS .....</b>	<b>23</b>
<b>32. INTERPRETATION .....</b>	<b>24</b>
<b>33. COMMUNICATION WITH THE COUNCIL.....</b>	<b>24</b>
<b>PART THREE INSTRUCTIONS AND GUIDANCE TO BIDDERS .....</b>	<b>25</b>
<b>34. INTRODUCTION .....</b>	<b>25</b>

Cheshire East Organic Waste Treatment Solution	ITPD	Notice
---	------	--------

<b>35. ITSOS REQUIREMENTS .....</b>	<b>25</b>
<b>36. ITSOS BID FORMS .....</b>	<b>25</b>
<b>37. CONTENT OF OUTLINE SOLUTIONS.....</b>	<b>25</b>
<b>38. GENERAL REQUIREMENTS AND BID FORMS.....</b>	<b>26</b>
<b>39. PROCEDURE FOR SUBMITTING OUTLINE SOLUTIONS.....</b>	<b>27</b>
<b>40. ADDITIONAL INFORMATION PROVISIONS .....</b>	<b>27</b>
<b>41. ENQUIRIES AND COMMUNICATION .....</b>	<b>27</b>
<b>42. VERIFICATION .....</b>	<b>29</b>
<b>PART FOUR: ITSOS REQUIREMENTS (LEGAL, CONTRACTUAL AND FINANCIAL) .....</b>	<b>30</b>
<b>PART FIVE: ITSOS TECHNICAL REQUIREMENTS (METHOD STATEMENTS) .....</b>	<b>37</b>
<b>PART SIX: ITSOS BID FORMS .....</b>	<b>52</b>
<b>APPENDIX 1 GLOSSARY OF TERMS.....</b>	<b>62</b>
<b>APPENDIX 2 EVALUATION MODEL .....</b>	<b>65</b>
<b>APPENDIX 3 DRAFT TECHNICAL SPECIFICATION .....</b>	<b>82</b>
<b>APPENDIX 4 ITSDS DIALOGUE TOPICS.....</b>	<b>105</b>
<b>APPENDIX 5 BACKGROUND INFORMATION – WASTE ARISING AND MANAGEMENT .....</b>	<b>106</b>
<b>APPENDIX 6 – DETAILS OF SITE OFFERED BY THE COUNCIL.....</b>	<b>112</b>

Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
---	------	--------------

## **PART ONE – INTRODUCTION & BACKGROUND**

### **1. INTRODUCTION AND PROJECT INFORMATION**

- 1.1. The Council wishes to enter into a contract (the “Contract”) with one contractor (or consortium) for the provision of an Organic Waste treatment facility that will provide suitable capacity for treating Organic Waste collected from households. The Council has identified two possible scenarios for the delivery of the Council’s requirements (each with differing solutions within them to be explored in dialogue). The scenarios are reflected in the “Lots” as follows:
  1. Design, Build, Finance and Operate (DBFO) - a facility on or off the Council’s identified land capable of accepting and treating the Council’s kerbside collected Organic Waste for the 15 year contract period; and
  2. Existing Capacity facility - for Bidders who propose to use existing operational facilities, suitable for accepting the Council’s kerbside collected Organic Waste for the 15 year contract period.
- 1.2. A Prior Information Notice (PIN) was issued on the 6<sup>th</sup> October 2015. A contract notice was published in the Official Journal of the European Union (OJEU) on 24<sup>th</sup> May 2016, inviting expressions of interest from organisations wishing to enter into a contract with the Council for the Project.
- 1.3. The Council received expressions of interest in the form of responses to the Pre-Qualification Questionnaire (PQQ). Following evaluation and shortlisting Bidders are being issued with this Invitation to Participate in Dialogue (the “ITPD”) which includes the suite of documentation relating to the Invitation to Submit Outline Solution (ITSOS) and Descriptive Document:
- 1.4. The Council is conducting this procurement under the Competitive Dialogue procedure pursuant to Regulation 30 of the Public Contracts Regulations 2015 as amended (the “2015 Regulations”). The aim of the Competitive Dialogue process is to identify and define the means best suited to satisfy the Council’s needs and requirements. In accordance with the 2015 Regulations, the Council’s needs and requirements are set out in this ITPD.
- 1.5. This ITPD sets out how the Council will conduct the Competitive Dialogue procedure leading to close of dialogue and selection of a Preferred Bidder and explains what Bidders are required to submit in response to this ITPD.

### **2. THE ITPD DOCUMENTS**

- 2.1. This ITPD comprises the Parts and Appendices shown in Table 1 which have been uploaded to The Chest ([www.the-chest.org.uk](http://www.the-chest.org.uk)) (“ITPD Documents”).
- 2.2. Bidders are required to ensure that they have read and understood the ITPD in its entirety in order to complete their Outline Solution submission. In this respect, Bidders should refer to Part Three for full instructions and guidance.

**Table 1 Structure and contents of the ITPD and supporting documentation**

Private and Confidential	Page 6 of 112	
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Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
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Reference	Description
Part One	Introduction and Project Information
Part Two	Competitive Dialogue and Important Notices
Part Three	Instructions and Guidance to Bidders
Part Four	ITSOS Requirements
Part Five	ITSOS Method Statements
Part Six	ITSOS Bid Forms
Appendix 1	Glossary of Terms
Appendix 2	Evaluation Model
Appendix 3	Technical Specification
Appendix 4	Dialogue Proposed Agenda
Appendix 5	Background Information

### 3. **INDICATIVE PROCUREMENT TIMETABLE**

- 3.1. The Council intends to follow the indicative procurement timetable for the Competitive Dialogue process and reaching contractual close shown in Table 2.
- 3.2. The timetable has been carefully considered to ensure an appropriate balance between (a) ensuring that the Planned Services Commencement Date is achievable; and (b) allowing sufficient time for the conduct of Competitive Dialogue and for Bidders to develop their Solutions.
- 3.3. Notwithstanding the above, the Council reserves the right to change the timetable or introduce further stages at any stage of the process and will notify Bidders of any such changes as soon as reasonably practicable.

**Table 2 Indicative procurement timetable**

ITSOS Stage		
Chest Invitation to Submit Outline Solutions (ITSOS) issued to shortlisted bidders (successful)	15 July 2016	30 August 2016
Deadline for any clarification questions relating to Outline Solutions	12 August 2016	12 August 2016
Return date for Outline Solutions	30 August 2016	30 August 2016

Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
---	------	--------------

Review of Outline Solutions	31 August 2016	09 September 2016
<b>ITSDS Stage</b>		
Invitation to participate in dialogue (ITPD) issued to all bidders - dialogue period	12 September 2016	28 October 2016
ITSDS Dialogue Meetings (1)	19 September 2016	30 September 2016
ITSDS Dialogue Meetings (2)	10 October 2016	14 October 2016
Deadline for Bidders' Clarifications at pre-Invitation to submit Detailed Solutions (ISDS) stage	21 October 2016	21 October 2016
Deadline for submission of Detailed Solutions	28 October 2016	28 October 2016
Clarification and evaluation (ITSDS)	31 October 2016	18 November 2016
Shortlist identified for dialogue stage (Call For Final Tenders CFT) – [ 3] Bidders	18 November 2016	18 November 2016
CFT Docs out - Detailed dialogue (leading to call for Final Tenders (CFT))	21 November 2016	16 December 2016
Debrief for unsuccessful bidders	19 December 2016	23 December 2016
CFT dialogue	02 January 2017	16 January 2017
Competitive Dialogue closed and call for Final Tender	16 January 2017	16 January 2017
Deadline for submission of Final Tenders	23 January 2017	23 January 2017
Clarification and evaluation of Final Tenders	23 January 2017	03 February 2017
Preferred Bidder awarded and 10 day Standstill Period	13 February 2017	24 February 2017
Cabinet and MGB Approval of Decision	13 February 2017	24 February 2017
Authority to let form completed	27 February 2017	03 March 2017
Official Award letter to be sent and notification for official award to unsuccessful parties	06 March 2017	06 March 2017
Debrief Process	07 March 2017	10 March 2017
OJEU award notice	13 March 2017	13 March 2017
Award on contract finder	13 March 2017	13 March 2017
Contract Signing	31 March 2017	31 March 2017
Contract start date	01 April 2017	01 April 2017
Service Start date	01 April 2019	31 March 2034

#### **4. PROJECT INFORMATION**

- 4.1. Background information in relation to the Project is included at Appendix 5 (Background Information) where a full list of contents is detailed.
- 4.2. Any further information that is deemed necessary by the Council for Bidders to complete their Outline Solution submissions may be released following the issue of the ITPD Documents. Any such further information shall be deemed to be subject to the conditions set out in the ITPD Documents.
- 4.3. Bidders should be aware that the Council does not guarantee or warrant the



Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
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accuracy, completeness or sufficiency of any of the Background Information, data and any Waste data information provided in the Background Information or this ITPD.

- 4.4. If Bidders have any questions relating to the Background Information, require any further information or require access to other documents, they should contact the Council through The Chest (see paragraph 41).

## **5. PROJECT OBJECTIVES**

- 5.1. The Council has defined a number of procurement objectives which reflect the outcomes that are expected from the provision of Contract Works and Services. Such outcomes are reflective of the strategic context to the project and include:

- Enabling the collection of food waste – in line with policy drivers that seek to drive organics up the waste management hierarchy;
- Maintaining a cost effective 3 bin collection system as part of a comingled collection with garden waste – previous work at industry wide level and specific to this project have found that separate collections of food waste are unaffordable in the current funding environment;
- Reducing the amount of food waste being disposed of in the residual waste stream – as a result of capture in co-mingled organics stream;
- Providing a cost effective treatment method for comingled food and garden waste – typically in-vessel composting or dry anaerobic digestion given the composition and character of the comingled material;
- Generate outputs in the form of energy and/or compost from comingled treatment process – thereby ensuring that the latent value and/or energy content of organics is harnessed; and
- Provide an overall cost to the Council which is affordable – it is essential that the Council makes savings and the total cost impact of any proposal will be assessed rather than just considering the gate fee.

## **6. COUNCIL'S KEY REQUIREMENTS**

- 6.1. The objectives and outcomes that are targeted by the Council provide the basis for the Key Requirements for the provision of service to treat co-mingled garden and food waste. These Key Requirements provide the framework for setting out the required Services which are described in detail in the draft technical specification presented in Appendix 3. The Key Requirements include:
- Providing an appropriate waste treatment facility to process co-mingled food and garden waste;
  - Operating the Organic Waste treatment facility in line with all applicable legal and regulatory requirements;

Private and Confidential	Page 9 of 112	
--------------------------	---------------	--

Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
---	------	--------------

- Attaining end of waste status for organic fractions produced by the treatment process;
  - Securing market outlets for the off-take of all process outputs; and
  - Delivering social value through measures including but not limited to: carbon emission reductions, driving material up the waste management hierarchy, generation of local renewable energy and heat, contribution to local economy and job creation/safeguarding.
- 6.2. The Council's Key Requirements apply to both Lot 1 and Lot 2 notwithstanding the difference in delivery approach. The Council foresees that Bidders considering a response in Lot 1 will need to describe how they will meet some specification requirements whereas Lot 2 Bidders may be in a position to evidence compliance against some specification requirements. An example of how the requirements apply to both lots is on the provision of a facility, where Lot 1 Bidders will need to describe their proposals for constructing a facility whereas Lot 2 Bidders may refer to an existing operational facility.
- 6.3. Background information that supports Bidder understanding and contextualisation of the Council's Key Objectives has been provided in Appendix 5. The Council advises Bidders to read the Key Requirements and Technical Specification alongside this background information.

## **7. SCOPE OF SERVICES**

- 7.1. The full scope of the Services is described in the technical specification at Appendix 3. For a list of the Council's key Contract objectives and requirements see section 6 above.

## **8. FUNDING SOLUTION**

- 8.1. For the Lot 1 (DBFO) option, the Council expects Bidders to present a fully funded solution at CFT stage and the development of the solution should progress through ITSOS and ITSDS. To support the funding of the Lot 1 options the Council expects to be in a position to make a capital injection of up to £11 million.
- 8.2. The Council funding will be injected by way of a capital contribution and so will appear as a nil cost source of funding to the Contractor. However, it should be noted that the cost to the Council of providing any capital injection will be included within the Council's affordability analysis and also the Council's approach to evaluating overall bid price between different bid submissions within Lot 1 and between Lot 1 and Lot 2. The cost of funding which will be included in this analysis will be clarified when the Council publishes the full evaluation criteria but to help provide some guidance to Bidders at his stage it is currently expected to be 3.5% per annum.
- 8.3. The £11 million of public sector funding which is being made available is the

Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
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maximum amount which will be provided to any Bidder. The Council will set a maximum level of gearing, based on the level of public sector funding as a percentage of the total capital cost of the project, to limit the amount which it will be willing to commit. The Council will provide more guidance on this limit at ITSDS stage but the expected level it is currently assumed to be 60% and will be within the range of 50%-80%. The maximum level may be different for each Bidder subject to a risk analysis of each bid submission.

- 8.4. The Council currently assumes the injection of funding will be triggered by the issue of an acceptance certificate at the completion of the Facility commissioning process and Bidders will therefore be required to fund up to that point. However it reserves the right to explore in dialogue any additional value that could be secured by funding on milestones. The Council will assess this value against the greater risks and does not give any representation or commitment to fund in this way. The exact process for the injection of such funding will need to be agreed in dialogue at ITSDS stage and the provision of funding will remain subject to the agreement of an acceptable security package for the benefit of the Council, the Contractor meeting defined funding covenants and agreement on the level of risk transfer through the negotiation of the Contract/Terms and Conditions and related documentation.
- 8.5. For Lot 2 bids the Council does not expect any additional funding will be required to facilitate the delivery of the proposal to process Council Organic Waste. Where additional funding is required this should be highlighted to the Council as soon as possible in the procurement process and the Council reserves the right to exclude such a proposal from the Lot 2 procurement. The Council will not make available any Public Sector funding for the Lot 2 submissions.

## 9. **THE COUNCIL SITE AND ALTERNATIVE SITES – LOT 1 ONLY**

- 9.1 In order to maximise competition, the Council will allow Lot 1 Bidders to utilise all or part of a Council owned site ("Council Site") in their bids if they wish to do so. Bidders are free to use other sites ("Alternative Sites") in their Bids. The Council Site:
- Is in the Council's ownership;
  - Is within the Council's administrative area;
  - Is a greenfield site; and
  - **Does not have the benefit of a planning consent or any other relevant permissions or consents.**
- 9.2 The attached plan provides an indicative red line boundary of circa 4 hectares to of the Council Site , which forms part of the Council owned Leighton Grange site.
- 9.3 The enclosed Leighton Grange, Preliminary Risk Assessment, February 2016

Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
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(which refers to the wider site) is provided for information purposes only.

9.4 The Council does not guarantee or warrant the suitability of the Council Site for the Facility.

9.2

## 10. **APPROACH TO THIRD PARTY INCOME**

10.1. The Council wishes to share in the benefits of Third Party Income produced at the facility/facilities processing Organic Waste. The Council encourages Bidders to guarantee Third Party Income within their Financial Model to help subsidise the overall cost of Organic Waste treatment payable by the Council whilst noting:

- The Council maintains a neutral position on whether Third Party Waste is brought into the Facility for treatment alongside Contract Waste, although the inclusion of such capacity within a plant built primarily for the Council's requirements is expected to be supported by a robust and well-reasoned business case;
- Any additional capacity installed beyond the Council's requirements for treating of Contract Waste is deemed by the Council to be a risk borne by the Contractor. The Contractor will take sole responsibility for sourcing any Third Party Waste required to support any capacity headroom;
- In a Facility where Third Party Waste is accepted, the Contractor shall ensure the Contract Waste delivered by the Council or its Contractors has priority on the installed capacity.

10.2. The Council expects to share any Third Party Income generated in excess of the levels guaranteed by the Bidder and Bidders should refer to the Payment Mechanism principles for details.

## 11. **MANDATORY REQUIREMENTS FOR OUTLINE SOLUTIONS**

11.1. This section describes the Mandatory Requirements for Outline Solutions at ITSOS stage.

11.2. Bidders are also referred to Part Three of this ITPD that sets out the requirements for a compliant Solution and to the ITSOS Requirements (Part Four) and Evaluation Model at Appendix 2.

11.3. Bidders are invited to submit no more than **ONE** compliant Solution per Lot at this ITSOS stage.

### **Mandatory Requirements and Variants**

11.4. The Council requires Outline Solutions to be compliant with the requirements of this ITPD and to comply with the Mandatory Requirements for Outline Solutions as described below. For the avoidance of doubt, the Council reserves the right to amend and/or augment its Mandatory Requirements in dialogue and/or at the

Private and Confidential	Page 12 of 112	
--------------------------	----------------	--

Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
---	------	--------------

ITSDS and CFT stage.

11.5. A compliant Solution is one which:

- complies with the instructions in this ITPD, complies with the ITSOS Requirements identified in Part Four of this ITPD and contains all the Bid Forms (contained in Part Six) duly completed in all material respects. (Bidders should note that the Council reserves the right to allow a Bidder to remedy a minor omission or administrative errors in a Bid Form or elsewhere in its submission but does not guarantee it will exercise that discretion);
- is capable of being evaluated as an entire Solution. This means that the Solution must be comprehensive and certain. It must not simply contain a “pick-and-mix” of alternatives or options so that the Council must construct its own Solution from a menu;
- is able to meet the Council’s requirements as set out in the Specification;
- presents a legally compliant proposal for the Project;
- offers terms and a risk profile that are reasonable for the Council to accept.

11.6. By way of guidance, Bidders should note that commercial positions in the Contract and its Schedules will be further developed during dialogue.

#### **Variants**

11.7. The Council requires Bidders to submit one Outline Solution that complies with this ITPD and the Mandatory Requirements set out above. Any variant Bids submitted at ITSOS stage will not be accepted or evaluated.

11.8. However, Bidders may (although they are not required to do so) identify in their Outline Solutions those aspects of their Outline Solution that could be varied in Competitive Dialogue to afford the Council with a better value for money Solution. The Council is not bound however to invite variants.

## **12. ITSOS REQUIREMENTS**

12.1. Although much of the waste procurement documentation is now standardised, the Council still wishes to encourage innovation and Solutions that provide added value whilst recognising the key principles of deliverability and affordability. The Council is keen to secure a Solution that meets the Council’s requirements rather than a standard or generic Solution. Further, as highlighted throughout this ITPD, the Council expects **well developed Outline Solutions** in response to this ITPD so that it is able to dialogue confidently with Bidders on delivering robust Solutions at the Detailed Solution stage. The Council does not however expect to see detailed financial models and fully developed funding packages at this Outline Solutions stage

12.2. Bidders will note that in Part Four of this ITPD (ITSOS Requirements), the

Private and Confidential	Page 13 of 112	
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Cheshire East Organic Waste Treatment Solution	ITPD	Introduction
---	------	--------------

Council sets out the requirements for Outline Solutions. This section is intended to provide an overview of the key ITSOS Requirements and highlight some key issues to be explored during this stage of the procurement but is not intended to be an extensive or exhaustive list.

- 12.3. The Council has provided as part of the ITPD Documents its Technical Specification (Appendix 3).

### **13. STAFF AND TUPE**

- 13.1. The Council anticipates that there are no employed individuals whose contracts of employment will have effect after the Service Transfer Date (or at any other time) as if originally made between those persons and the Contractor by virtue of the transfer to the Contractor of responsibility for provision of any of the Services in accordance with TUPE and the Contract. However, the Contract will provide for market standard positions on TUPE and employees in case it is subsequently agreed or determined otherwise.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
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## PART TWO COMPETITIVE DIALOGUE AND IMPORTANT NOTICES

### 14. OVERVIEW

- 14.1. The Council is conducting the Competitive Dialogue pursuant to the 2015 Regulations.
- 14.2. In accordance with the 2015 Regulations the Council is conducting the procurement in successive stages in order to reduce the number of Solutions and Bidders throughout the process.
- 14.3. The aim of the Competitive Dialogue is to enable the Council to “*identify the solution or solutions which are capable of meeting its needs*” (Regulation 30(14) of the 2015 Regulations) and accordingly the Council will commence dialogue with those Bidders who have satisfied the PQQ criteria for the Project and will, subject to this paragraph 14, continue until a Solution and Bidder is found that offers the most economically advantageous tender to the Council.
- 14.4. This is a complex procurement and while the Council has set out in this ITPD an overview of the Competitive Dialogue process it is intending to carry out, it may be subject to adjustment depending on Solutions received and/or how the process progresses. Any changes will be discussed with Bidders and confirmed at the time as appropriate.
- 14.5. The Council reserves the right to introduce further stages into the Competitive Dialogue as it sees fit and to require Bidders to clarify and/or refine their Solutions at each stage.
- 14.6. The Council reserves the right to decline to conduct any further dialogue at any stage.
- 14.7. The Council invites innovation from Bidders in the formulation of their submissions within the constraints set out in this ITPD (and subsequently at ITSDS).
- 14.8. Throughout the process the Council will set up a series of meetings with each Bidder invited to participate at each stage of the process. The Council will conduct dialogue as necessary and does not therefore necessarily commit to each Bidder being invited to the same number of meetings nor on the same topics. The Council will however ensure that all Bidders are treated equally and given the same access to information.
- 14.9. Dates for the dialogue meetings for the ITSDS stage will be between 19<sup>th</sup> and 30<sup>th</sup> September and 10<sup>th</sup> and 14th October 2016. Bidders are requested to ensure that suitable resources (including Bidders’ legal, technical and financial advisers as appropriate) have been identified to be available at these meetings. Further detail of the exact date and times for each Bidder will be released as early as possible following the issue of this ITPD.
- 14.10. Dates for dialogue meetings during the ITSDS phase will be published in due course.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
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## **15. INVITATION TO SUBMIT OUTLINE SOLUTION (ITSOS)**

- 15.1. During the ITSOS stage, the Council will evaluate Bidders' responses to Part Four (ITSOS Requirements) and approach to the Project as set out in their Outline Solution in order to be discussed at dialogue stage and further refined at the following Detailed Stage.
- 15.2. Bidders will note the procurement timetable (Table 2: Indicative Procurement Timetable) above includes dialogue meetings to be held with each individual Bidder following submission of Outline Solutions. The purpose of these meetings is to enable Bidders to seek clarification from the Council on any aspect of the Project or the procurement process that may be unclear and/or to raise any issues relating to Bidders' approaches to the Project.
- 15.3. There will be further opportunity to raise questions after the first ITSDS Dialogue Meeting. Bidders should note the formal deadline for submission of questions at ITSOS is 16:00 on 12<sup>th</sup> August 2016. Bidders should note that nothing said or intimated by the Council or its advisers at these dialogue meetings will constitute any transfer of risk to the Council or any approval of Bidders' Solutions in relation to their adequacy in meeting the Council's requirements or otherwise.
- 15.4. Points of clarification provided by the Council during these dialogue meetings will be shared with all Bidders unless a Bidder regards the information as confidential, in which case the provisions of paragraphs 17 shall apply.
- 15.5. Following receipt of the Outline Solutions and any further clarifications, the Council will conclude its evaluation of the Outline Solutions by applying the Evaluation Model described in Appendix 2.

## **16. OUTLINE SOLUTION AND INVITATION TO SUBMIT DETAILED SOLUTION (ITSDS)**

- 16.1. Following evaluation of Outline Solutions, the Council does not intend to further shortlist Bidders to take part in the detailed dialogue leading to Detailed Solutions (ITSDS) ("ITSDS Dialogue Meetings").
- 16.2. The Council has set out a draft agenda in Appendix 4 that it wishes to follow with Bidders during the ITSDS Dialogue Meetings.
- 16.3. The dialogue phase will continue until the Council is satisfied that it "*can identify the solution or solutions which are capable of meeting its needs*" (Regulation 30(14)). At this stage the Council will declare that the Outline dialogue is concluded and invite Detailed Solutions "*on the basis of the Outline Solution or solutions presented and specified during the dialogue*" (Regulation 30(15)).
- 16.4. The ITSDS stage may allow variants if appropriate but this will be outlined in the ITSDS and is in the Council's absolute discretion and subject to paragraph 12 above.

## **17. FAIR COMPETITION AND CONFIDENTIALITY**

- 17.1. The Council intends to conduct the Competitive Dialogue in a way which is fair, transparent and does not risk distorting competition nor unfairly discriminates for or against a Bidder. Accordingly, the answers to questions asked by Bidders shall be disclosed to all other Bidders unless both the question and answer relate only



Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
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to the Solution proposed by the Bidder asking the question and is commercially sensitive.

- 17.2. In accordance with Regulation 30(10) of the 2015 Regulations, the Council will not reveal to another Bidder in the dialogue meetings or dialogue phase a Solution proposed by a Bidder without that Bidder's agreement. It is imperative that Bidders are clear in every response given to the Council the extent to which it is commercially sensitive and/or confidential.
- 17.3. It should be recognised by Bidders that ideas they have are not necessarily unique to them and may have been considered by the Council or other Bidders. Accordingly, while treating all Bidders equally and fairly, the Council reserves the right to explore with all Bidders ideas and proposals which are topics in the public domain (in the specialist media, for example) notwithstanding that the idea or Solution already appears in the proposals of one Bidder.
- 17.4. The Council will finalise agenda items and confirm attendees as soon as reasonably practicable before each meeting. In order for meetings to be productive it is important that Bidder attendees are as far as possible, empowered to reach conclusions on issues.
- 17.5. Points of clarification provided by the Council during the meetings will be shared with all Bidders unless a Bidder regards the information as confidential, in which case the provisions of paragraph 41 shall apply.

## **18. DISCLAIMER**

- 18.1. This ITPD (as issued or as may be subsequently amended or added to) has been prepared by the Council in good faith but does not purport to be comprehensive or to have been independently verified and none of the Council, the Council's members, directors, officers, employees, agents or advisers make any guarantee or warrant the accuracy, completeness or sufficiency of the information contained within the ITPD and the accompanying documents. Bidders should not rely on the information and should carry out their own due diligence checks and verify the accuracy of all Project information. Nothing in this ITPD or the accompanying documents is or shall be a promise or representation as to the Council's future conduct.
- 18.2. Bidders considering entering into a contractual relationship with the Council shall make their own enquiries and investigations of the Council's requirements beforehand. The subject matter of this ITPD shall only have contractual effect when and to the extent it is contained in the express terms of an executed contract between the Council and any successful Bidder.
- 18.3. This invitation by the Council to submit an Outline Solution does not mean that the Bidder has satisfied the Council regarding any matter raised during the PQQ stage and the Council makes no representations or warranties regarding the Bidders' financial status or stability, technical competence or ability in any way to carry out the Project.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
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## 19. **CONFIDENTIALITY**

- 19.1. Subject to the exceptions referred to in paragraph 20.2, any information relating to the Project contained in this ITPD (referred to in this paragraph 19 as “Information”) is being made available by the Council on the condition that:
- Bidders shall at all times treat the Information as confidential;
  - Bidders shall not (or allow anyone else to) disclose, copy, reproduce, distribute or pass the Information to any other person at any time;
  - Bidders shall not use the Information for any purpose other than for the purpose of making (or deciding whether to make) an Outline Solution; and
  - Bidders shall comply with the provisions of paragraph 28 (Publicity) below (which contains restrictions on publicity activity within any section of the media).
- 19.2. Bidders may disclose, distribute or pass the Information to another party (including, but not limited to, for example, the Bidder’s legal advisers and insurers) if either:
- this is done for the sole purpose of enabling an Outline Solution to be made and the person receiving the Information undertakes in writing to keep the Information confidential on the same terms as set out in this paragraph 19; or
  - the Bidder obtains the prior written consent of the Council in relation to such disclosure, distribution or passing of the Information.
- 19.3. The Council may disclose detailed information relating to Outline Solutions to the Council’s members, directors, officers, employees, agents, advisers, auditors and the Council may make the key contract documents available for private inspection by the Council’s members, directors, officers, employees, agents or advisers. The Council also reserves the right to disseminate information that is materially relevant to the Contract to all Bidders, even if the information has only been requested by one Bidder, subject to the duty to protect any Bidder’s commercial confidence in its Outline Solutions. The Council will act reasonably as regards the protection of commercially sensitive information relating to the Bidder in the light of the latest published guidance on this area.

## 20. **DISCLOSURE OF INFORMATION**

- 20.1. In accordance with the obligations placed upon public authorities by the Freedom of Information Act (“FOIA”) and the Environmental Information Regulations (“EIR”), information submitted to the Council may be disclosed by the Council in response to a request made pursuant to the FOIA or the EIR.
- 20.2. Bidders must carefully consider the use of phrases such as “in confidence” or “commercially sensitive” when submitting Outline Solutions since they will not necessarily protect Outline Solutions or parts of Outline Solutions from disclosure. In respect of any information submitted by Bidders which they consider to be

Private and Confidential	Page 18 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
---	------------------	---

commercially sensitive, Bidders should:

- clearly identify such information as commercially sensitive and the consequences of disclosure; and
- detail the envisaged timeframe during which such information will remain commercially sensitive.

20.3. The Council is required to comply with the provisions of the FOIA and EIR and will normally seek comments from any party whose information is subject to a request under the FOIA or EIR. Even where information is identified as confidential and/or commercially sensitive, the Council may be required to disclose such information in accordance with the FOIA or EIR if a request is received. Receipt of Outline Solutions marked in whole or in part as “confidential” and/or “commercially sensitive” should not be taken to mean that the Council accepts any duty of confidence by virtue of the marking.

20.4. Bidders are asked to complete the Bid Form in Part Six (ITSOS Bid Forms) to identify any areas of their Outline Solution that they consider are confidential and/or commercially sensitive.

## **21. BIDDERS – CHANGES FROM PQQ ASSESSMENT**

21.1. The membership of any Bidder, and the principal relationships between the members (including any proposed group members and/or Significant Sub-Contractors), may be changed only with the prior consent of the Council.

21.2. The Council reserves the right to determine whether or not to continue with the evaluation of a Solution and whether or not to enter into a Contract with a Bidder, where there has been a change in the ownership of the Bidder (direct or indirect) or a change in the principal relationships between the members of any proposed group or change in Significant Sub-Contractors.

21.3. Further the Council reserves the right to exclude a Bidder if it no longer satisfies the eligibility criteria and/or Minimum Standards for any criterion set out in the PQQ. During the procurement process, Bidders are required to confirm to the Council:

- whenever there is a proposed change in a group structure or other material change, for example, a change in a Significant Sub-Contractor; and/or
- where there is a proposed change in a guarantor where the strength or experience of that guarantor was relied on by the Council in its PQQ assessment; and/or
- at each CD stage (this ITSOS and ITSDS) that there has been no material change to the information provided to the Council at the PQQ stage.

21.4. If there is a proposed change, or if at any Competitive Dialogue stage there is a material change to the information provided at the PQQ stage, the Council reserves the right to reassess the Bidder against the eligibility criteria and/or Minimum Standards assessed at PQQ and reject any Bidder which no longer

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
---	------------------	---

satisfies the eligibility criteria and/or Minimum Standards for any criterion.

- 21.5. Without prejudice to the above, in the event that any Bidder fails the Minimum Standards for economic and financial standing at a later stage in the procurement process, without limitation, the Council reserves the right during the Competitive Dialogue to ask the Bidder's parent company or other guarantor to provide security in respect of that Bidder's continuation in the procurement process. If such security is not forthcoming to the satisfaction of the Council, the Council reserves the right to reject the Bidder.

## **22. CONSISTENCY OF INFORMATION**

- 22.1. The Council is relying on the information provided by Bidders in response to the PQQ. If, at any time prior to the submission of an Outline Solution or during the ITSOS period, there are any material changes to the same, the Bidder must advise the Council as soon as reasonably practicable.
- 22.2. The Bidder must confirm in its Outline Solution that any statement made in its response to the PQQ remains true and accurate in all material respects, save as specifically disclosed in the Outline Solution.
- 22.3. The Council reserves the right to return to any matters raised in the PQQ as part of the Competitive Dialogue process, where circumstances have changed in some material respect. Bidders are referred to paragraph 21 (Bidders – Changes from PQQ Assessment) above.
- 22.4. The Council also reserves the right during dialogue to obtain further confirmation from the Bidders' parent companies concerning the form of Parent Company Guarantee, where applicable.

## **23. BIDDING COSTS**

- 23.1. Each party will bear its own costs of bidding including but not limited to Bid preparation, of taking part in the Competitive Dialogue, conducting due diligence and (if awarded Preferred Bidder status) optimising of due diligence, clarification, specification and optimisation and confirmation of commitments.
- 23.2. The Council reserves its position as to whether or not it will enter into contractual arrangements and the Competitive Dialogue, and submission of any Solution, is entirely at each Bidder's risk.
- 23.3. The Council shall bear no liability whatsoever for the outcome of the Competitive Dialogue and shall not be liable for any Bidder's costs associated with the preparation of any Bid documents, Solution(s) including but not limited to the costs of dialogue, advice, funding, presentations, due diligence, clarification, specification and optimisation, and/or any loss of profit, loss of chance and/or other economic loss incurred by Bidders as a result of this procurement whatsoever.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
---	------------------	---

## **24. NO CONTRACT**

- 24.1. Nothing contained in this ITPD or any other communication in relation to it between the Council and/or its advisers and any other party (whether a Bidder or otherwise) shall be taken as constituting a contract, agreement or representation between the Council and the Bidder or any other party.
- 24.2. Nothing contained in this ITPD or any other communication in relation to it shall be construed as creating a partnership or as a contract of employment between the Council and the Bidder.

## **25. CANVASSING**

- 25.1. Any Bidder who, in connection with this Project:
- canvasses or offers any inducement, fee or reward to any member or officer of the Council or any person acting as an adviser for the Council in connection with the Project; or
  - does anything which would constitute a breach of the Bribery Act 2010, Prevention of Corruption Acts 1889 to 1916 or under Section 117 of the Local Government Act 1972; or
  - contacts any officer of the Council prior to the Contract being awarded about any aspect of the Project in a manner not permitted by this ITPD (including, without limitation, a contact for the purposes of discussing the possible transfer to the employment of the Bidder of such officer for the purpose of the Project),
- may be disqualified (without prejudice to any other civil remedies available to the Council and without prejudice to any criminal liability which such conduct by a Bidder may attract).

## **26. NON-COLLUSION**

- 26.1. Any Bidder who, in connection with the Project:
- fixes or adjusts a Solution by or in accordance with any agreement or arrangement with any other Bidder;
  - enters into any agreement or arrangement with any other Bidder that it shall refrain from making a Solution or as to the amount of any Solution to be submitted;
  - causes or induces any person to enter such agreement as is mentioned above or to inform the Bidder of the amount or approximate amount of any rival Solution(s) for the Project;
  - offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Solution(s) or proposed Solution(s) for

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
---	------------------	---

the Project any act or omission;

- communicates to any person other than the Council the amount or approximate amount and/or other substantial or significant aspects of his proposed Solution except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the Solution (for example, for insurance or a Parent Company Guarantee), and/or
- undertakes any other activity or places itself in a position that the Council reasonably considers could disrupt and/or prejudice the fairness and competitiveness of the procurement process,

may be disqualified (without prejudice to any other civil remedies available to the Council and without prejudice to any criminal liability that such conduct by a Bidder may attract).

#### 26.2. **Conflict**

- The Council is concerned to avoid conflicts of interest and/or a risk that a conflict may arise.
- Bidders should note that the Council reserves the right at its sole discretion to disqualify or reject a Bidder where there is an actual or potential conflict of interest involving that Bidder (and/or any of its associated Relevant Organisations).

### 27. **COPYRIGHT**

- 27.1. The copyright in the ITPD Documents is vested in the Council and they may not be reproduced, copied or stored in whole or in part in any medium without the prior written consent of the Council.
- 27.2. The ITPD and any document issued as supplemental to it are, and shall remain, the property of the Council and must be returned upon demand.

### 28. **PUBLICITY**

- 28.1. Bidders shall not undertake (or permit to be undertaken) at any time, whether at this stage or after any Contract award, any publicity activity with any section of the media in relation to this Project other than with the prior written agreement of the Council.
- 28.2. Such agreement shall extend to the content of any publicity. In this paragraph 28 the word “media” includes (but without limitation) radio, television, newspapers, trade and specialist press, the Internet and e-mail accessible by the public at large and the representatives of such media.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
---	------------------	---

## **29. COUNCIL'S RIGHT TO REJECT/ABANDON**

- 29.1. The issue of this ITPD in no way commits the Council to award any Contract pursuant to this Competitive Dialogue process.
- 29.2. The Council is not bound to accept the lowest priced or any other Solution and reserves the right to accept any Solution either in whole or in part or parts.
- 29.3. Nothing in this ITPD shall oblige the Council to award a Contract and the Council shall be able in its sole and absolute discretion to withdraw from Competitive Dialogue and/or dialogue with any Bidder or all Bidders at any time and/or to abandon the procurement.
- 29.4. The Council reserves the right in its absolute discretion at any time to reject any Solutions and/or Bidder who in the Council's reasonable opinion:
- does not comply with the provisions of this ITPD;
  - does not meet the Mandatory Requirements for Outline Solutions (paragraph 11 above);
  - fails to comply with the submission requirements;
  - commits an act or otherwise does not comply with the provisions of paragraphs 25 (Canvassing) and 26 (Non-Collusion) above;
  - makes material changes to, or (in the Council's opinion) a material change takes place in respect of, any aspect of either its PQQ submission (unless substantial justification can be provided to the satisfaction of the Council); or
  - scores 51% or less in any response to Evaluation Criteria.
- 29.5. The purpose of the ITSOS stage is to test and consider emerging solutions, enabling the Council to refine its approach to ITSDS. Whilst indicative scores may be given to bidders at the ITSOS stage, there will be no down selecting at this stage. However, the Council expects Bidders to participate fully in the ITSOS stage, so as to improve the quality and efficiency of the procurement process, including by highlighting potential Bidders issues as soon as possible.

## **30. AMENDMENTS TO THE ITPD DOCUMENTS**

- 30.1. The Council reserves the right to issue amendments or modifications to the ITPD Documents during the ITSOS period.
- 30.2. Any such amendments will be issued to all Bidders simultaneously and Outline Solutions will be assumed to take them, and any modifications and amendments arising from Competitive Dialogue, into account.

## **31. SUB-CONTRACTORS**

- 31.1. Where the Bidder intends to use a sub-contractor it will be the responsibility of the Bidder to provide the sub-contractor with all the necessary information (having

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Two	Competitive Dialogue and Important Notices
---	------------------	---

regard to the provisions relating to confidentiality in this ITPD).

- 31.2. Where information about a Bidder is requested in Competitive Dialogue or in this ITPD, such information must be given about all sub-contractors of that Bidder.

## **32. INTERPRETATION**

- 32.1. The definitions included in Schedule 1 of the draft Contract Document 4b shall apply to this ITPD except to the extent that any terms are defined in Appendix 1 (Glossary of Terms) or in the main body of this ITPD.

## **33. COMMUNICATION WITH THE COUNCIL**

- 33.1. All communication with the Council is to be via The Chest.
- 33.2. Bidders should refer to the contents of paragraph 41 for further information about the Chest and communication requirements.



Cheshire East Council Organic Waste Treatment Solution	ITPD Part Three	Instructions and Guidance to Bidders
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## **PART THREE INSTRUCTIONS AND GUIDANCE TO BIDDERS**

### **34. INTRODUCTION**

- 34.1. This Part Three of the ITPD provides instructions and guidance to Bidders on the format and content of an Outline Solution and the procedure for submitting an Outline Solution and communicating with the Council in relation to the Project.
- 34.2. If a Bidder does not comply with any of the requirements contained in this Part Three (Instructions and Guidance to Bidders) the Council may (at its discretion) disqualify the Bidder and reject its Outline Solution.
- 34.3. It is the responsibility of each Bidder to ensure that it has all the information it needs to prepare its Outline Solution.
- 34.4. The ITPD sets the Council's requirements in respect of the Project and issues for discussion as part of this stage of the Competitive Dialogue process. In the event of any inconsistency, the ITPD will take precedence over any documents previously issued by the Council.

### **35. ITSOS REQUIREMENTS**

- 35.1. Paragraph 38 (General Requirements and Bid Forms) and the ITSOS Requirements contained in Part Four below provide Bidders with the opportunity to present their Solution and demonstrate why they should be selected to be invited to continue to participate in the Competitive Dialogue process and to be taken through to the ITSOS Stage.
- 35.2. The Outline Solution must stand alone and Bidders should not cross refer to any matters included in their PQQ responses. The Council will not take into account any matters raised in the PQQ or referred to at the dialogue meetings as part of the evaluation of the Outline Solution unless they are restated and expressly provided in the Outline Solution submission.

### **36. ITSOS BID FORMS**

- 36.1. Included at Part Six below are a set of ITSOS Bid Forms to be completed by Bidders and submitted with the responses to the ITSOS Requirements as part of the Outline Solution. Bidders must follow any specific instructions set out in the Bid Form itself and include the necessary information requested. The Bid Forms comprise the following:
  - Bid Form 1     Form of Covering Letter
  - Bid Form 2     Group/Significant Sub-Contractor Commitment
  - Bid Form 3     Anti-Collusion and Canvassing Certificate
  - Bid Form 4     Confidential Information
  - Bid Form 5     Form of Tender

### **37. CONTENT OF OUTLINE SOLUTIONS**

- 37.1. The Outline Solution must be developed and submitted in accordance with the instructions set out in this ITPD and must comply with the Mandatory

Private and Confidential	Page 25 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part Three	Instructions and Guidance to Bidders
---	--------------------	---

Requirements for Outline Solutions set out in paragraph 11 above. For the avoidance of doubt, if a Bidder fails to comply with the instructions set out in this ITPD and the Mandatory Requirements the Council reserves the right either to not consider the relevant Outline Solution or reject the Bidder. Bidders are referred to paragraph 29 above (Council's right to reject/abandon).

- 37.2. Bidders are referred to Part Four below which sets out the ITSOS Requirements and to Part Six below which sets out Bid Forms for completion and return by Bidders with their Outline Solution.
- 37.3. Outline Solutions shall be submitted with all information presented in Arial font at 12 point with each page numbered consecutively and the name of the Bidder clearly indicated at the top of each page of the Outline Solution. All Method Statements shall be provided in a format compatible with Microsoft Word and Excel 2010. Text and graphic documents may also be presented in PDF format.
- 37.4. Bidders are asked to ensure that any cross referencing within the Solution fully identifies the referenced material by section/paragraph number and heading.
- 37.5. Any maps/drawings/plans/schematics included as part of the Bidder's ITSOS submission shall not be sized any larger than A1 and shall be numbered, referenced and a drawing list included in the index.
- 37.6. Where there have been any changes in the information supplied by the Bidder to the Council at PQQ (or at any subsequent time), such changes must be disclosed in full.

### **38. GENERAL REQUIREMENTS AND BID FORMS**

- 38.1. Outline Solutions must be in accordance with the instructions in this ITPD and accompanying documents.
- 38.2. Bidders must include the following in respect of the Outline Solution:
  - Form of Covering Letter in accordance with the Bid Form 1;
  - Executive Summary and introduction to Outline Solution which should include the following headings and details:
    - 38.2..1. The name of the legal organisation and the names of any group members who are providers of the key Services, together with the Services which they are to provide listed alongside them;
    - 38.2..2. The contact names, numbers and descriptions of the roles of all relevant persons within the Bidder's group or team; and
    - 38.2..3. Details of any material changes to the Bidder's response to the PQQ, or confirmation that there are no changes.
  - Response to ITSOS Requirements (see ITPD Part Four below)
  - Completed Bid Forms in accordance with Part Six (ITSDS Bid Forms)

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Three	Instructions and Guidance to Bidders
---	--------------------	---

- Mark ups of the draft Contract and Schedules (see ITPD Document 4a – 4c).
- Any further documents, drafting, drawings as appropriate to explain and support the Bidder's Solution.

### **39. PROCEDURE FOR SUBMITTING OUTLINE SOLUTIONS**

- 39.1. Outline Solutions must be received by the Council no later than **12:00 hours on 30 August 2016**. Bidders are advised to allow plenty of time to submit their Outline Solution on to the Chest as this will take some time to complete and the Council reserves the right to disqualify and not evaluate any Outline Solutions submitted after the deadline referred to in this paragraph.
- 39.2. Bidders are required to submit all aspects (documents/attachments/responses) of their completed Outline Solution through The Chest online portal. Bidders are advised to complete the submission of their Outline Solutions in advance of the deadline referred to in the preceding paragraph to allow time to request guidance where it is required. It is the responsibility of Bidders to ensure they are familiar with the system and allow sufficient time for finalising their Outline Solution.
- 39.3. Bidders must ensure that:
- their Outline Solution is submitted in English;
  - each answer is clearly numbered and refers to the relevant question;
  - all files uploaded to The Chest include within their file name the name of the Bidder;
  - any cash values stated are fully completed in pounds sterling (£) and totalled in clear terms; and
  - any distances must be stated in miles.

### **40. ADDITIONAL INFORMATION PROVISIONS**

- 40.1. Additional information deemed necessary for Bidders to prepare their Outline Solution in relation to the Project will be made available to Bidders by the Council.
- 40.2. Bidders are reminded of Part Two of the ITPD (Competitive dialogue and Important Notices) including but not limited to paragraph 19 (Confidentiality) and 27 (Copyright).
- 40.3. Other than for the purpose of preparing a Bid in response to this ITPD, Bidders must not copy, reproduce, distribute, or otherwise pass the information or documents made available by the Council to any person at any time.

### **41. ENQUIRIES AND COMMUNICATION**

- 41.1. Bidders may submit questions and requests for clarification or further information at any time throughout the procurement process provided that all such questions

Private and Confidential	Page 27 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part Three	Instructions and Guidance to Bidders
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and requests for clarification are received by **12:00 hours on 12 August 2016**.

- 41.2. Enquiries and any clarification questions should be submitted in writing via The Chest. This should be used for all queries and requests for clarification regarding the procurement as it provides an effective and auditable trail. A Bidder's queries will be secure and cannot be seen by any other Bidders. The Council will publish the questions and the response in a suitably anonymous form, via The Chest to all Bidders before the closing date for submission of Outline Solutions.
- 41.3. The Council is not responsible for inaccurate or incomplete contact information input into The Chest by Bidders. It is the responsibility of a Bidder to ensure that the contact information they have entered for their organisation on The Chest is accurate and kept up to date. Important notification messages relevant to this procurement may not be received by a Bidder should the contact information be inaccurate. If at any stage a Bidder needs to update the contact information held for their organisation this can be achieved by submitting it via The Chest. For any technical advice or assistance relating to The Chest or if for any reason The Chest is not available, please contact The Chest helpdesk on +44 845 2930459/+44 01670 597137 or on email at: support@due-north.com. This email address should only be used where there are technical issues with The Chest. Otherwise, all questions and queries relating to this procurement should be submitted via The Chest.
- 41.4. It should be noted that, if requested, information or requests for clarification/questions posed by Bidders or anything similar is deemed to be of relevance to all Bidders the request/question and response will be provided to all Bidders in the same manner described at paragraph 41.2. No details of the Bidder submitting the request will be given.
- 41.5. When submitting a question or request for clarification or further information, Bidders should clearly indicate which (if any) part of their question they view as commercially confidential to them and applicable only to the Bidder submitting the question.
- 41.6. Any such question or request which a Bidder considers is commercially confidential must be clearly marked 'Confidential – not to be circulated to other Bidders' and the Bidder must set out the reason(s) for the request for non-disclosure to other Bidders, which the Council will then consider.
- 41.7. Any statement requesting that the question or request or the response to the question or request is to be kept confidential should be well constructed, thought out and meaningful and not simply a broad statement that covers matters clearly in the public domain or not commercially sensitive.
- 41.8. If the Council considers that in the interests of open and fair competition, it is unable to respond to the question or request for clarification or further information on a confidential basis, it will inform the Bidder who has submitted it. During the pre ITSDS submission phase, the Bidder must thereafter respond within 24 hours to indicate that either the query be withdrawn, or treated as not confidential. The Council will deem that the question or request for clarification or further information is withdrawn if the Council is not contacted in three (3) Business Days.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part Three	Instructions and Guidance to Bidders
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- 41.9. The Bidder must endeavour, so far as is practicable, to respond to all questions and clarifications within the timeframe set by the Council and, in any event, within three (3) Business Days.
- 41.10. The Council will endeavour to provide Bidders with any additional information to which the Council has access, but the Council shall not be obliged to comply with any such request and does not accept liability or responsibility for failure to provide any such information.

#### **42. VERIFICATION**

- 42.1. The Council reserves the right to require financial and/or technical references at any stage of the procurement process in respect of Bidders' Solutions. The Council may also wish to visit any reference sites as appropriate.
- 42.2. Bidders should note that the information given at this stage of the procurement process might be subject to verification later in the selection process. If any error, omission, false statement or misrepresentation is discovered, the Council reserves the right to disqualify the Bidder from selection without regard to what stage the selection process has reached when the error, omission, false statement or misrepresentation is discovered. The Council will rely upon the representations in response to the ITPD in selecting those Bidders who are invited to continue with the Project.
- 42.3. Failure to comply with any of the foregoing requirements may render an Outline Solution and/or Bidders liable to disqualification or rejection (see also paragraph 29).

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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## PART FOUR: ITSOS REQUIREMENTS (LEGAL, CONTRACTUAL AND FINANCIAL)

*Note to Bidders: Bidders are also referred to paragraph 38 (General Requirements and Bid Form)*

### 1. Quality requirements

In order to determine the most appropriate solution to meet the needs of the organic waste treatment requirements Cheshire East Council and its advisors require responses to all four (4) Tier 1 criteria for each Lot as set out in the table below. Bidders are required to set out their commercial positions by submitting legal, contractual and financial responses with respect to their proposed technical solution (technical requirements are set out in Part 5). The core elements of the quality assessment are set out in the evaluation model in Appendix 3.

Lot 1		Weighting to apply		
Tier 1 Criteria	Response Required	ITSOS	ISDS	CFT
Legal and contractual	Marked up contract	20%	12%	8%
Technical	Method statements	60%	36%	24%
Financial and Commercial	Response to questions	20%	12%	8%
Quantitative	Pricing schedule	0%	40%	60%
Lot 2		Weighting to apply		
Tier 1 Criteria	Response Required	ITSOS	ISDS	CFT
Legal and contractual	Marked up contract	20%	8%	6%
Technical	Method statements	60%	24%	18%
Financial and Commercial	Response to questions	20%	8%	6%
Quantitative	Pricing schedule	0%	60%	70%

### 2. Legal and Contractual Requirements

2.1 The following commentary is intended to help provide guidance to the Bidders in

Private and Confidential	Page 30 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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relation to the issues which will be considered when carrying out the evaluation of the Legal and Contractual Tier 1 criteria.

Tier 1 Criteria		Tier 2 Sub-Criteria
Legal and Contractual	L1	Degree of compliance with the draft contract documents and schedules

2.2 The Council does not propose to have a dialogue on the Contract and the Schedules as they are well established and have worked effectively elsewhere. However, a Bidder may comment on provisions and propose amendments where these are necessary or appropriate to reflect the nature and detail of its quality proposal and/or where a proposed amendment would offer the Council value for money.

2.3 Note that general comments such as “for discussion” or “will be amended” are not acceptable because the Council cannot evaluate the Bidder’s stance, price or risk impact. This mark-up will be evaluated and will be the subject of dialogue with Bidders. If a Bidder does not propose any amendment to a clause then it will be assumed that it is accepted by the Bidder.

2.4 In respect of any proposed amendments submitted by a Bidder:

- i. A Bidder may propose amendments to the draft Contract and its schedules only where
  - a. this is necessary or appropriate to reflect the nature and detail of their technical and funding proposals and for the Project to be sustainable; and/or
  - b. where a proposed amendment would offer the Council value for money.

Each amendment must be accompanied by a commentary giving justification for that amendment and any value for money argument be supported by appropriate evidence of the tangible benefit for the Council should the change be accepted. Bidders are requested to include their commentary within the Contract mark-up itself as footnotes or drafting notes rather than by submitting a separate commentary table. Changes which essentially amount to drafting changes or matters of style will not be accepted by the Council; and

- ii. Where complex drafting is needed that cannot be fully drafted because it is linked to another document or associated definitions that needs to be further developed in dialogue (e.g. drafting in the Contract linked to complex mechanisms in the Payment Mechanism), the Council will accept a detailed commentary instead of formal drafting provided that the Bidder’s commercial position is clear and any impact on risk and/or price is fully set out; and
- iii. The Council reserves the right to reject any amendments to the Contract and Schedules and to treat such Bid as a qualified tender.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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Proposed amendments will be evaluated in accordance with the tier 2 evaluation criterion described in the Evaluation Model under Table 6.

### 3. Financial and Commercial Requirements

3.1. The following table is intended to help provide guidance to the Bidders in relation to the issues which will be considered when carrying out the evaluation of the Financial and Commercial Tier 1 criteria. This table is for guidance only and does not constitute an exhaustive list of all issues which will be taken in to account.

Tier 2 Criteria		Additional guidance for Bidders in issues, inter alia, which will be considered	Questions which will be used to evaluate criteria
F1	Payment Mechanism and Commercial (Financial) Terms	<p>Payment Mechanism</p> <ul style="list-style-type: none"> <li>- General acceptance of principles</li> <li>- Responses to Bid Back Items</li> <li>- Base Payment (including thresholds for tonnage and the acceptance, or otherwise, of the principle of Exclusivity)</li> <li>- Performance Deductions (including caps)</li> <li>- Mileage Deduction</li> <li>- Non Acceptance Deduction</li> <li>- Third Party Income</li> <li>- Recycling Deduction (including guaranteed performance and deduction value)</li> <li>- Other Components (including NNDR)</li> <li>- Indexation of payments and deductions</li> </ul> <p>Commercial (Financial) Terms</p> <ul style="list-style-type: none"> <li>- Risk transfer to Council</li> <li>- Fixed nature of pricing</li> <li>- Handback and residual value risk</li> </ul>	<p>Part Four</p> <p>Questions:</p> <p>3.4</p> <p>3.5</p> <p>3.6</p> <p>3.13</p> <p>2.4</p>
F2	Financial Robustness	<ul style="list-style-type: none"> <li>- Quality and integrity of the financial model (does it work/can it be interrogated/is it transparent)</li> <li>- Credibility of unit costs and financial assumptions</li> <li>- Robustness of model in downside scenarios</li> <li>- Quality of financial information provided (including consistency between written and model submission)</li> <li>- Reasonableness of high level tax and accounting assumptions</li> <li>- Robustness of hedging strategies</li> </ul>	<p>Part Four</p> <p>Questions:</p> <p>3.7</p> <p>3.12</p> <p>3.13</p>



Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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		<ul style="list-style-type: none"> <li>- Financial Robustness of Guaranteed Third Party Income Proposals</li> <li>- Strength of contractual security package</li> </ul>	
F3	Deliverability of Funding Package	<ul style="list-style-type: none"> <li>- Proposed delivery vehicle and funding package, including strength and deliverability of funding source</li> <li>- Deliverability and acceptability of all financing terms and conditions (including gearing, Terms and Conditions of project/corporate finance, direct agreements with the Council, shareholder debt and equity, availability of standby finance, and project returns)</li> <li>- Strength of funder support, including the extent to which due diligence has been completed by parties, commitment to financial close timetable and strength of funder(s)</li> </ul>	Part Four Questions: 3.7, 3.8, 3.9, 3.10, 3.11

- 3.2. Bidders are encouraged to provide fully worked up responses to all questions in this section. Questions which will be asked as ITSDS stage will be an extension of those asked at ITSOS and so it is expected that developing such fully worked up responses at the ITSOS stage will support the Bidders submission development later in the procurement. Where no comment is provided the Council will assume that the Bidder accepts the principles proposed.
- 3.3. Bidders should note that as detailed in the table above the responses to some questions may be used in the evaluation of more than one Tier 2 criteria.

#### **QUESTIONS FOR BIDDERS TO PROVIDE RESPONSES TO IN THE ITSOS SUBMISSIONS**

- 3.4. Bidders are requested to provide comments in relation to, or confirm acceptance of, the principles set out in the WIDP Payment Mechanism Principles document which is included at Appendix 5 of the Descriptive Document. The Council has made specific comment in relation to the key principles in paragraph 3.9 of the Descriptive Document and the Bidder should consider these prior to developing their written response. Comments provided should be specific to individual sections of the WIDP Payment Mechanism Principles document and should detail:
- 3.4.1. The issues the Bidder has with the proposed principle, and
- 3.4.2. The alternative approach the Bidder would propose to follow
- Where no comment is provided the Council will assume that the Bidder accepts the principles proposed
- 3.5. Bidders should detail any issues which mean that the Bid price submitted at Final Tender stage would not be fixed (e.g. Planning Permission or EA Permit risk, Interest Rate and Foreign Exchange risk) and set out any proposals on how these issues should be

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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managed. The response should include but not be limited to:

- 3.5.1. The strategy to minimise construction price movements throughout the procurement;
  - 3.5.2. The likely date at which construction price is fixed and the conditions which will be attached to this;
  - 3.5.3. The period for which the construction price is held;
  - 3.5.4. How the costs will move between anticipated construction completion and construction longstop date, (e.g. indexation proposals); and
  - 3.5.5. What proportion of costs will be exposed to foreign exchange and how this risk will be managed.
- 3.6. Bidders should comment on their proposed approach to the following issues:
- 3.6.1. The timetable for the provision of capacity suitable to process Council Organic Waste, issues which may impact on such timetable and how the Bidder proposes to manage such risks. For example, the Council is keen to understand how delays to issues such as Planning, Construction and Commissioning may impact on the ability of the Bidder to process Council Organic Waste from the 1<sup>st</sup> April 2019 when the Council's interim Green Waste contract is expected to expire.
  - 3.6.2. Handback of the Facility on Expiry (or earlier Termination) of the Contract. The Council assumes that for all Lot 1 Bids the Facility will revert to the Council save where the Council believes that it would improve the value for money of the submission to consider an alternative treatment.
- 3.7. Please provide details of your proposed commercial structure to deliver the Contract including:
- 3.7.1. Details of a proposed contracting structure for this project (the use of an SPV or other structure) including a diagram illustrating the relationships of the contracting parties
  - 3.7.2. The role of each consortium member in the project and their envisaged shareholdings/ stakeholdings (where applicable);
  - 3.7.3. Details of the key subcontracts and contract terms (including proposed form of contract and the status of development (e.g. Heads of Terms)) within the commercial structure, including:
    - 3.7.3.1. Engineer Procure and Construct ("EPC") sub-contracts;
    - 3.7.3.2. Key technology sub-contracts;
    - 3.7.3.3. Operation and Maintenance ("O&M") sub-contracts;
    - 3.7.3.4. Key offtake contracts (e.g. Digestate);
    - 3.7.3.5. Third Party Income guarantees; and
    - 3.7.3.6. Other key contracts (e.g. Haulage).
  - 3.7.4. For each of the above please detail why the counterparties are considered appropriate for this project including the provision of credentials and experience where appropriate.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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3.7.5. For each of the above please confirm the performance guarantees, including Parent Company Guarantees, and collateral warranties that each relevant sub-contractor will provide, (including reference to any liability caps proposed) and state what entity the guarantee will be from and in favour of.

3.8. Please provide details of your proposals to raise finance for this project, including:

- 3.8.1. The different types of finance;
- 3.8.2. The reasoning for the choice of funding and the specific financing structure;
- 3.8.3. How the funding structure proposed will interface with the proposal for the Council to provide a capital contribution of up to £11m on completion of commissioning; and
- 3.8.4. The value of the public sector funding which the Bidder believes would be appropriate for its Bid.

(NB – Question only relevant to Lot 1 Bidders)

3.9. In relation to equity funding assumed for the project please provide:

- 3.9.1. The names of the equity providers;
- 3.9.2. The relationship of the equity provider to the Bidder and/or consortium members including experience of working together on previous projects;
- 3.9.3. The amount of equity injection proposed by each provider;
- 3.9.4. The key terms on which each party is willing to invest;
- 3.9.5. Confirmation regarding the source of funds required for this Project (with appropriate support such as Annual Financial Statements, Investment Fund Reports etc) and any guarantees which are available to support the funding obligation;
- 3.9.6. The level of commitment of the equity provider to the project including details with regards to the level of involvement in the ITSOS submission and the due diligence which has been carried out; and
- 3.9.7. Letters of support from all equity providers confirming the detail provided above.

(NB – Question only relevant to Lot 1 Bidders)

3.10. In relation to debt funding assumed for the Project:

- 3.10.1. The identity of the debt providers;
- 3.10.2. The relationship of the debt funding provider to the Bidder and/or consortium members including experience of working together on previous projects;
- 3.10.3. The amount of debt which each party is willing to provide;
- 3.10.4. Key terms on which the funders are willing to provide debt;
- 3.10.5. Timetable on which you propose to work to ensure 100% of debt funding is in place in advance of CFT submission;
- 3.10.6. Details of due diligence carried out to date and to be carried out in the future to meet the above timetable;

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 4	ITSOS Requirements
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3.10.7. Letters of support and/or term sheet from prospective debt funders detailing the information above;

3.10.8. Details of the proposed strategy for managing a club of debt funders, including the approach proposed to compete funders terms and manage the due diligence process; and

3.10.9. The approach proposed to identify additional funding which may be required or to mitigate the loss of a funder as the Bid is developed in advance of Financial Close.

(NB – Question only relevant to Lot 1 Bidders)

3.11. Please provide details of the funding history of the relevant technology including specific examples and stating the type of financing used in each case.

(NB – Question only relevant to Lot 1 Bidders)

3.12. Please provide comment on the Council's affordability target and confirm if the Bidder is expected to be able to meet such target. Please confirm on what basis the above response is provided with detail regarding how developed the Bidder pricing model is. The Council is not asking for full financial models at the Outline Solution stage but would request as much detail as possible over the affordability and price position, especially for those submitting proposals for Lot 2.

3.13. Please provide details related to the expected Third Party Income which may be generated including:

3.13.1. Details of the likely volume (based on the Council's waste flow projections) and the price per unit of the Third Party Income which you anticipate forming the basis of any Third Party Income guarantee within your price. This should be split between the various income streams associated with third party uses of the Facility (i.e. Power Sales, Government Subsidies, Digestate sales and Non-Contract Waste gate fees and others where relevant);

3.13.2. The Bidder should also confirm that such guaranteed Third Party Income will be underwritten, identify those risks that will remain in the SPV and be passed to subcontractors, and where relevant, the extent or limit to such guarantees. Please provide evidence of any due diligence which has been carried out (or will be carried out) in relation to such income, sub- contractors' guarantees and the credit-worthiness of any such guarantor over the life of the Contract;

3.13.3. Where the Bidder proposes to guarantee revenue from third parties, details of how the Bidder intends to fill spare capacity in the early years of the Contract (including description of the volume to be guaranteed, and over what time period the guarantee will apply); and

3.13.4. How the Bidder proposes to manage fluctuations in the delivery of Organic Waste from the Council.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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## **PART FIVE: ITSOS TECHNICAL REQUIREMENTS (METHOD STATEMENTS)**

### **1. Technical Solution Method Statements**

Bidders are required to provide Method Statements in response to Part Five of this document that outlines their proposed technical solution. The Technical Specification (Appendix 3) details the Council's requirements for each lot and the contents of the Method Statements should reflect the requirements presented in this document.

It is anticipated that the Method Statements presented at this outline solution stage will progress through to detailed solutions stage and that the method statements provided at Final Tender stage will form part of the Contract.

Cross referencing to other Method Statements (but not to other documentation) will be permitted and such cross-referenced material, where relevant, will be taken into account in the evaluation.

Bidders shall ensure that commitments are phrased to avoid doubt as to whether the proposal constitutes a contractual commitment (e.g. 'The Contractor shall'). Any additional material not included within Method Statements will not be evaluated. Bidders are required to provide Method Statements in response to the questions presented below that outlines their proposed technical solution. Bidders are only required to respond to the method statement questions for the lot they are applying for.

The Technical Specification (Appendix 3) details the Council's requirements for each lot and the contents of the Method Statements should reflect the requirements presented in this document. Background information presented in Appendix 7 may also be referred to in the development of method statement responses.

Bidders are reminded that the ITSOS stage will not be used to down-select the number of organisations participating in the competitive procurement process. Responses will however be scored for the purposes of providing feedback to Bidders as their solutions develop, whilst also providing a check to ensure that all Bidders pass the 51% minimum quality requirement.

Bidders may note that the technical questions asked in this method statement section are more detailed than is often encountered at an ITSOS stage of a procurement process. This is intentional and is in direct response to the possibility of new or novel technologies being proposed, which requires the Council to develop a more detailed understanding of proposals at an earlier stage in the procurement.

Questions asked at the ITSDS stage will be an extension of those asked at ITSOS and bidders should therefore view the responses provided to the below method statement requests as initial responses to which further detail can be applied during the ITSDS stage. In responding to the below ITSOS questions, Bidders should clearly state:

- Where details cannot be provided at this stage due to the developing nature of a response; or,
- Where a response is a description of a general, rather than specific approach that will be detailed further as the technical solution is developed in greater detail.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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### **LOT 1 – DBFO Solutions ITSOS Technical Questions**

Bidders applying for Lot 1 should answer the questions (T0-T11) presented in this section. A page limit of 52 (fifty two) A4 one sided pages will be applied including the specified 2 pages for the executive summary. Bidders should refer to the evaluation model and scoring system in section B on Appendix 2 for details on how the responses to this section will be scored.

Item	Evaluation Criteria	Specification Reference	Weighting
T0	Executive summary	All	0%

T0(a) Please provide a short (2-page) executive summary that outlines the solution you intend to provide the Council.

Bidders should note that where there is ambiguity or discrepancy between the executive summary and the responses provided to questions T1 – T11, the information presented in questions T1 – T11 shall take precedent.

Item	Evaluation Criteria	Specification Reference	Weighting
T1	Suitability of proposals for the receipt of Contract Waste	1.2, 1.3,	7%

T1(a). Please provide details on the approach you will implement to manage vehicular deliveries of waste to the site. The response should reflect the structure of the site traffic plan you propose to develop and implement at the Facility.

T1(b). How will you ensure that the Facility is available to receive deliveries of Contract Waste in line with the Council's requirements? The response should outline your approach to making the Facility available on statutory holidays and during any additional time requested by the Council.

T1(c). What operational procedures will you develop and implement for assessing loads delivered by the Council against the Contract Waste Acceptance Criteria?

T1(d). Please set out your proposed arrangements for managing loads delivered to the Facility by the Council that fail to meet the Contract Waste Acceptance Criteria.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T1(e). What provisions are included within your solution for the tipping and temporary storage of Organic Waste loads delivered to the Facility by the Council? How many days storage are provided for Contract Waste within the Facility reception area?

T1(f). Does your proposed solution have a maximum feedstock contamination thresholds? If so, please provide details on the factors that determine this rate.

T1(g). What approaches do you propose to deploy to remove contamination from Contract Waste delivered by the Council to the Facility?

T1(h). What are your proposed management routes for Residual Waste generated in the pre-treatment of Contract Waste?

Item	Evaluation Criteria	Specification Reference	Weighting
T2	Appropriateness of Capacity Provision	1.4	7%

T2(a). Please state the processing capacity for the proposed Facility including:

- The individual processing capacity of key process phases therein. This description should extend to include all phases of treatment such as the conditioning of solid outputs;
- How the proposed solution works to ensure there is a continuous and consistent inflow of Contract Waste;
- Feeding rates including any time based variations of feed rate;
- Assumptions on blending, co-product or reagent addition, or material re-circulation and any impact on residence times or processing capacity;
- Adaptability to seasonal variation;
- Capacity reserves in each process step;
- The maximum tonnage that can be processed through the facility; and,
- Assumptions on feedstock composition flexibility to changes in waste composition.

T2(b). Please provide a mass balance model that shows how you shall fully account for all process inputs and outputs, clearly stating apportionment assumptions for each process phase, and assumptions on operating or processing efficiencies. The model should include assumptions on parameters such as total and volatile solids for all process phases and material streams.

T2(c). How does your proposed solution maximise the grade and quality of outputs that are produced by the Treatment Process?

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T2(d). Does your solution involve treating waste other than Contract Waste? If so please provide details on:

- The sources and types of third party waste;
- The duration of any supply agreements for third party waste;
- The flow of third party waste within the mass balance model presented in response to question T2(b);
- How you will ensure that Contract Waste is given priority within the Facility;
- How risks such as contamination from off-specification third party waste will be managed to prevent the contamination of Contract Waste; and
- How your proposals for treating third party waste aligns with local and national planning policy guidance.

T2 (e). What benefits and disadvantages do you see for the Council from the acceptance of third party waste into the Facility?

Item	Evaluation Criteria	Specification Reference	Weighting
T3	Suitability, Robustness and Track Record of Treatment Process.	1.5	17%

T3(a). Please provide an overview of the waste treatment process you propose to utilise for the treatment of Contract Waste, stating how the process supports the EU Waste Framework (EU/2008/98/EC) definition for recycling and/or recovery. The response provided should provide a description of each key step of your proposed technology in processing Contract Waste and the key components it comprises and explain the reasons it has been selected. Equipment suppliers should be stated for individual items of plant and equipment where applicable.

T3(b). Please provide details of currently operating facilities adopting the chosen technology solution processing similar feedstock, including contact details and performance data in support of the mass balance model (question T2(b).) for at least the past three years.

T3(c). How will your proposed solution treat the Contract Waste in line with the requirements of the Animal By-Products Regulations (2013)?

T3(d). What end of waste quality protocols will you implement within your solution to ensure that organic outputs can be removed from the Facility and utilised as a products without downstream waste regulation?

T3(e). Please provide a description of your approach to developing the design for the Facility to ensure alignment to industry standards and to support maintenance of guaranteed performance levels and reliability.

T3(f). Please state the component life assumptions for all major items of plant and equipment included in your facility design.



Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T3(g). Does your proposed solution generate energy in the form of biomethane, power or heat? If so, please provide details of generation processes, associated plant and equipment and the net conversion efficiencies achieved from (biogas) output.

T3(h). Does your proposed solution incorporate performance and process guarantees? If so, please state the scope and duration of such guarantees.

Item	Evaluation Criteria	Specification Reference	Weighting
T4	Viability and Demonstrated Experience of Solution Proposals for Securing Offtakes for Process Outputs and Maximising their Value.	1.6	10%

T4(a). What are your proposals for managing and removing all process outputs from the Facility used to process Contract Waste? The response should address all output fractions identified in the mass balance model (Question T2(b).)

T4(b). What is your proposed approach to contracting offtakes for all process outputs? The response provided should reference the intended supply agreement and should identify the intended duration of any supply contracts for process outputs.

T4(c). Do you intend to connect the Facility to the energy transmission systems including the National Power Distribution Grid, National Gas Distribution Grid, District Heating Network or private electrical supply wire? If so, please provide an overview of the connections that will be established including any restrictions or operating conditions imposed by the Distribution Network Operator.

T4(d). Do you intend to apply for any fiscal incentives from central government in support of the production of process outputs? Please state:

- Assumptions on the rate that will be claimed taking account of prevailing tariff digression announcements; and
- How integral the claiming of such incentives are to the financial model supporting your proposal.

T4(e). How do you propose to manage any outputs that fail product specifications for process outputs?

Item	Evaluation Criteria	Specification Reference	Weighting
T5	Robustness and Suitability of Proposals for Operating the Facility.	1.8	11%

T5(a) Where is the site that you propose to use for location of the Facility? In order to provide the Council with the ability to assess the deliverability of the site, please provide details on the following:

- site location;

Private and Confidential	Page 41 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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- facility buildings, dimensions and capacities;
- the present status of the site (i.e. development land, construction site, operational facility);
- the planning consent status. For sites that do not have planning consent, details on how proposals align to applicable policy should be presented;
- your interest in the land (e.g. freehold, option to purchase, open-market sale, unknown availability);
- site covenants, designations and restrictions, including for the avoidance of doubt, clarity on permitted access rights and related highways issues;
- any background studies such as site surveys or investigations, EIA Assessments, and Transport Assessments.

T5(b). How do you intend to achieve planning permission for the site where this is not in place? Your response should include:

- an assessment of deliverability of permissions;
- any perceived barriers to obtaining permission and how you seek to mitigate such planning risks; and,
- how the proposal is suitable for the site in respect of applicable policies.

T5(c). How do you propose to manage the implementation and mobilisation of the Facility and supporting services in preparation for the contract start date? Your response should include:

- an indicative Gantt Chart showing critical dates and timescales through the project design, procure, build and commissioning process;
- roles and responsibilities of key resources and partners;
- details of how you would manage any delays to the timescales identified in your programme.

T5(d). What is your proposed staffing and management approach for operating the Facility and supporting services? The response should extend to include staff provided by sub-contractors to deliver the service.

T5(e). How do you intend to maintain the Facility? Please provide an overview of your proposed maintenance arrangements that shall form part of the site management plan

T5(f). How will you design and operate the site in a way that ensures it is secure?

T5(g). How will you operate the Facility in a way that minimises impact or nuisance to neighbours of the site?

Item	Evaluation Criteria	Specification Reference	Weighting
T6	Evidence of a Comprehensive and Robust Approach to Regulatory Compliance.	1.7	10%

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T6(a). What regulatory permissions and consents do you plan to obtain in support of the Facility operation? Your response should include an assessment of deliverability of regulatory consents and permissions, including an estimate of timescales. Any perceived barriers to obtaining permission and how you seek to mitigate such risks should be identified.

T6(b). How will you operate the service in a way that ensures and evidences compliance against all regulatory permissions?

Item	Evaluation Criteria	Specification Reference	Weighting
T7	Deliverability of the Facility with Regards to Construction and Commissioning.	1.9	14%

T7(a). How do you intend to manage the development and delivery of your proposed solution in all the following aspects; Design, Procure, Build and Commission the Facility; Operate the Facility; and hand-back the Facility at the end of the Contract Period where applicable?

T7(b). How have your key suppliers and sub-contractors been selected and can they demonstrate a good track record on similar projects in which they have had an identical or very similar role to that now proposed?

T7(c). How will you manage sub-contractors to ensure the Facility and supporting services are delivered to the Council in a seamless approach?

T7(d). What standards do you propose to work to throughout the construction and commissioning phase?

Item	Evaluation Criteria	Specification Reference	Weighting
T8	Evidence of a Comprehensive and Robust Approach to Health, Safety, Quality and Environment	1,10, 1.12	3%

T8(a). Please describe the quality, environmental and health and safety management systems that you propose to install to support your operations. The response provided should include:

- How you propose to attain and maintain certification against recognised industry standards; and
- The scope of each management system including an outline of the risk assessments you will undertake and the resulting areas of policy that shall be developed.

T8(b). What will be your approach to staff training and ensuring that all persons employed at the Facility are appropriately qualified for their assigned duties?

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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Item	Evaluation Criteria	Specification Reference	Weighting
T9	Comprehensiveness and suitability of Contingency Arrangements.	1.11	5%

T9(a). What proactive measures will you implement to support service continuity against scenarios that may require contingency action?

T9(b). How do you propose to maintain continuity of service in scenarios such as:

- Inclement and extreme weather conditions;
- The sudden or unexpected absence of staff members;
- The sudden or unexpected absence of the Plant Manager, Contract Manager, or any other key member of management personnel;
- The breakdown of plant, equipment or vehicles installed or employed at the Facility;
- Circumstances that require the closure of the Facility;
- The unavailability of site weighbridges; and
- IT system failures.

T9(c). What are your proposed arrangements for recovery of the Facility and/or supporting services following a disaster scenario?

Item	Evaluation Criteria	Specification Reference	Weighting
T10	Demonstration of a Robust and Integrated Approach to Managing the Facility and Service	1.13, 1.14, 1.15	12%

T10(a). How you will monitor the service to collect and report all information required in connection with the Contract?

T10(b). How do you intend to ensure the Council's Authorised Officer is fully briefed on the delivery of works and services throughout the Contract Period? The response should include aspects of liaison pertaining to standard operation of the Facility, as well as how you propose to communicate and liaise on any non-conformance or issue that may arise.

T10(c). How will you ensure and evidence that all invoices submitted to the Council are accurate?

Item	Evaluation Criteria	Specification Reference	Weighting
T11	Creation and contribution of Social value to the	All	4%

Private and Confidential	Page 44 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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	Cheshire East Area		
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T11(a). Please outline how your proposal would contribute Social value to the Cheshire East Administrative Area. The response provided should outline how your proposal supports:

- Opportunities for employment within the local workforce;
- Training, education and mentoring;
- Opportunities for SME's within local supply chains;
- Opportunities for voluntary and third sector organisations;
- Community engagement; and
- Any other aspects of the service that contribute to the well being of the population within the Cheshire East Administrative Area.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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## **LOT 2 – Existing Capacity Solutions ITSOS Technical Questions**

Bidders applying for Lot 2 should answer the questions (T0-T10) presented in this section. A page limit of 52 A4 one sided pages will be applied including the specified 2 pages for the executive summary. Bidders should refer to the evaluation model and scoring system in section B on Appendix 2 for details on how the responses to this section will be scored.

Item	Evaluation Criteria	Specification Reference	Weighting
T0	Executive summary	All	0%

T0(a) Please provide a short (2 page) executive summary that outlines the solution you intend to provide the Council.

Bidders should note that where there is ambiguity or discrepancy between the executive summary and the responses provided to questions T1 – T10, the information presented in questions T1 – T10 shall take precedent.

Item	Evaluation Criteria	Specification Reference	Weighting
T1	Suitability of proposals for the receipt of Contract Waste	1.2, 1.3,	10%

T1(a). Please provide details on how you manage vehicular deliveries of waste at your site. The response should reflect the structure of the site traffic plan you currently operate.

T1(b). What are your facility operating hours and how do these align with the Council's requirements? The response should outline arrangements for the Facility on statutory holidays and during any additional time requested by the Customers.

T1(c). What operational procedures will you develop and implement for assessing loads delivered by the customers and how will these be adapted and/or utilised to make assessment against the Contract Waste Acceptance Criteria?

T1(d). Please set out your arrangements for managing loads delivered to the Facility that fail to meet Contract Waste Acceptance Criteria.

T1(e). What provisions are included within your facility for the tipping and temporary storage of Organic Waste loads delivered to the Facility by the Council? How many days storage can you provide for Contract Waste within the Facility reception area?

T1(f). Does the Facility you operate have a maximum feedstock contamination thresholds? If so, please provide details on the factors that determine this rate.

Private and Confidential	Page 46 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T1(g). What approaches do you employ to remove contamination from Contract Waste delivered by the Council to the Facility?

T1(h). How do you manage Residual Waste generated in the pre-treatment of waste delivered to the Facility?

Item	Evaluation Criteria	Specification Reference	Weighting
T2	Appropriateness of Capacity Provision	1.4	13%

T2(a). Please state the maximum processing capacity for your Facility including:

- How the Facility works to ensure there is a continuous and consistent inflow of feedstock;
- Adaptability to seasonal variation;
- Flexibility to changes in waste composition; and,
- The current and foreseeable tonnage that is processed through the facility.

T2(b). Please provide a mass balance model that shows how you fully account for all process inputs and outputs, clearly stating apportionment assumptions for each process phase, and assumptions on operating or processing efficiencies.

T2(c). How does the Facility maximise the grade and quality of outputs that are produced by the Treatment Process?

T2(d). Does your solution involve treating waste other than Contract Waste? If so please provide details on:

- The sources and types of third party waste;
- The duration of any supply agreements for third party waste;
- The flow of third party waste within the mass balance model presented in response to question T2(b);
- How you propose to prioritise Contract Waste relative third party waste streams; and
- How risks such as contamination from off-specification third party waste will be managed to prevent the contamination of Contract Waste.

Item	Evaluation Criteria	Specification Reference	Weighting
T3	Suitability, Robustness and Track Record of Treatment Process,	1.5	17%

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T3(a). Please provide an overview of the waste treatment process you are offering to the Council to utilise for the treatment of Contract Waste, stating how the process supports the EU Waste Framework (EU/2008/98/EC) definition for recycling. The response provided should provide a description of each key step of your proposed technology in processing Contract Waste.

T3(b). How does the Facility comply with the requirements of the Animal By-Products Regulations (2013)?

T3(c). What end of waste quality protocols do you adopt to ensure that organic outputs can be removed from the Facility and utilised as a products without downstream waste regulation?

T3(d). Does the Facility generate energy in the form of biomethane, power or heat? If so, please provide details of generation processes, associated plant and equipment and the net conversion efficiencies achieved from (biogas) output.

Item	Evaluation Criteria	Specification Reference	Weighting
T4	Viability and Demonstrated Experience of Solution Proposals for Securing Offtakes for Process Outputs and Maximising their Value.	1.6	10%

T4(a). What are the outlets and offtakes that you use for all outputs produced by the Facility? The response should address all output fractions identified in the mass balance model (Question T2(b).) and should include:

- The application for use or further treatment of the material;
- The location of the off take;
- How the material is transported to offtake locations; and
- How you check that offtake locations are appropriately permitted to receive materials where they may remain under regulatory control.

T4(b). How do you contract offtakes for all process outputs? The response provided should reference the form of supply agreement and should identify the duration of any supply contracts for process outputs.

T4(c). How do you manage any outputs that fail product specifications for process outputs?

Item	Evaluation Criteria	Specification Reference	Weighting
T5	Robustness and Suitability of Proposals for Operating the Facility	1.8	13%



Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T5(a) Where is the site on which the Facility is located? Please provide details on:

- Site location;
- Facility buildings, dimensions and capacities;
- The planning consent status;
- Your interest in the land (e.g. freehold, option to purchase, open-market sale, unknown availability);
- Site covenants, designations and restrictions, including for the avoidance of doubt, clarity on permitted access rights and related highways issues; and
- Any background studies such as site surveys or investigations, EIA Assessments and Transport Assessments.

T5(b). Please provide an overview of your operating structure for the Facility. Your response should include:

- An overview of staffing levels;
- The job roles; and
- The key competencies and experience required for staff to occupy these roles.

T5(c). What is your approach to maintaining the Facility? Please provide an overview of your proposed maintenance arrangements including details on:

- Management of maintenance schedules;
- Maintenance standards; and,
- Roles and responsibilities.

T5(d). What arrangements are in place to provide security at the Facility?

T5(e). How do you operate the Facility in a way that minimises impact or nuisance to neighbours of the site?

tem	Evaluation Criteria	Specification Reference	Weighting
T6	Evidence of a Comprehensive and Robust Approach to Regulatory Compliance.	1.7	11%

T6(a). What regulatory permissions and consents do you hold in support of the Facility operation?

T6(b). How do you ensure and evidence compliance against all regulatory permissions?

Item	Evaluation Criteria	Specification Reference	Weighting
T7	Evidence of a Comprehensive and Robust Approach to Health, Safety, Quality and Environment.	1,10, 1.12	4%

Private and Confidential	Page 49 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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T7(a). Please describe the quality, environmental and health and safety management systems that you currently operate to. The response provided should include:

- How you have attained and maintain certification against recognised industry standards; and
- The scope of each management system including an outline of the risk assessments you have undertaken and the resulting areas of policy have been adopted.

T7(b). What is your approach to staff training and ensuring that all persons employed at the Facility are appropriately qualified for their assigned duties?

Item	Evaluation Criteria	Specification Reference	Weighting
T8	Comprehensiveness and Suitability of Contingency Arrangements.	1.11	6%

T8(a). What proactive measures do you implement to support service continuity against scenarios that may require contingency action?

T8(b). How do you maintain continuity of service to customers in scenarios such as:

- Inclement and extreme weather conditions;
- The sudden or unexpected absence of staff members;
- The sudden or unexpected absence of the Plant Manager, Contract Manager, or any other key member of management personnel;
- The breakdown of plant, equipment or vehicles installed or employed at the Facility;
- Circumstances that require the closure of the Facility;
- The unavailability of site weighbridges; and
- IT system failures.

T8(c). What are your proposed arrangements for recovery of the Facility and/or supporting services following a disaster scenario?

Item	Evaluation Criteria	Specification Reference	Weighting
T9	Demonstration of a Robust and Integrated Approach to Managing the Facility and Service	1.13, 1.14, 1.15	12%

T9(a). How you will monitor the service to collect and report all information required in connection with the Contract? The response provided should include:

Private and Confidential	Page 50 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 5	Technical requirements
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- The data points will be captured;
- How you will ensure the accuracy of information collected;
- How data will be managed, analysed and securely stored; and
- How you will report information to the Council.

T9(b). How do you intend to ensure the Council's Authorised Officer is fully briefed on the delivery of works and services throughout the Contract Period? The response should include aspects of liaison pertaining to standard operation of the Facility, as well as how you propose to communicate and liaise on any non-conformance or issue that may arise.

T9(c). How will you ensure and evidence that all invoices submitted to the Council are accurate?

Item	Evaluation Criteria	Specification Reference	Weighting
T10	Creation and contribution of Social value to the Cheshire East Area	All	4%

T10(a). Please outline how your proposal would contribute Social Value to the Cheshire East Administrative Area. The response provided should outline how your proposal supports:

- Opportunities for employment within the local workforce;
- Training, education and mentoring;
- Opportunities for SME's within local supply chains;
- Opportunities for voluntary and third sector organisations;
- Community engagement; and
- Any other aspects of the service that contribute to the wellbeing of the population within the Cheshire East Administrative Area.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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## PART SIX: ITSOS BID FORMS

Table 5 below identifies the entire suite of Bid Forms to be completed by Bidders and submitted with their Outline Solution. The location refers Bidders to where the Bid Form can be obtained.

**Table 5 Bid Forms for completion by Bidders**

<b>Bid Form</b>	<b>Description</b>	<b>Location</b>
<b>Bid Form 1</b>	Form of Covering Letter	ITPD Part Six
<b>Bid Form 2</b>	Group/Significant Sub-Contractor Commitment	ITPD Part Six
<b>Bid Form 3</b>	Anti-Collusion and Canvassing Certificate	ITPD Part Six
<b>Bid Form 4</b>	Confidential Information	ITPD Part Six
<b>Bid form 5</b>	Form of tender	ITPD Part Six

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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## **Bid Form 1: Form of Covering Letter**

*Note: Bidders should copy the following text and submit using company headed paper. Where a group arrangement is proposed the Bidders are required to provide a covering letter on the Lead Applicant's headed note paper in the following form but signed by each actual/proposed group member.*

Dear Sirs

### **Outline Solution submission for the Organic Waste Treatment Facility Project**

Having examined the Invitation to Participate in Dialogue letter dated [ ] and the Invitation to Submit Outline Solution and Descriptive Document and other documents made available to us and having satisfied ourselves as to all other matters relevant thereto, we confirm our Bid to enter into a contract with the Council for the Organic Waste Treatment Facility Project as set out in the ITPD.

We enclose our Bid, and confirm that this comprises all of the documents required to be submitted in accordance with the matters set out in the ITPD.

We confirm that, subject to the following paragraph, all Competitive Dialogue remains "Subject to Contract" and that the Council's selection of us as Preferred Bidder will not constitute a binding agreement or contract between us until a formal written agreement has been executed. We agree that the formal agreement shall comprise the finalisation and completion of the Contract in the form identified in the ITPD, subject to any amendments that have arisen in subsequent Competitive Dialogue or optimisation, together with the completion of other requisite documentation. In the event of our selection as Preferred Bidder, we agree to complete all necessary steps and execute all documentation that are agreed as part of optimisation or following submission of our Bid.

We confirm that we agree with the Council in legally binding terms to comply with the provisions relating to confidentiality set out in the ITPD.

We confirm that in submitting our Outline Solution, we have satisfied ourselves as to the accuracy and completeness of the information and we certify that the information supplied is accurate to the best of my/our knowledge.

Yours faithfully,

[Signature, Name, Organisation and Position]

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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## **Bid Form 2: Group/Significant Sub-Contractor(s) Commitment**

*To be completed and signed by all Relevant Organisations where a group arrangement is proposed and/or where a Bidder is relying on a Significant Sub-Contractor(s).*

We the undersigned confirm that we are the actual/proposed members of the group arrangement/Significant Sub-Contractor(s) referred to in this Outline Solution. We further confirm that we agree to the organisation named below acting as Lead Applicant.

Further, we confirm that we have read and understood the ITPD and fully support the Solution submitted on our behalf by the Lead Applicant

### **Lead Applicant**

Signed: ..... Date: .....

Signed: ..... Date: .....

For and on behalf of: .....

### **Proposed/Actual Group Members/Significant Sub-Contractor(s)**

Signed: ..... Date: .....

Signed: ..... Date: .....

For and on behalf of: .....

Signed: ..... Date: .....

Signed: ..... Date: .....

For and on behalf of: .....

Signed: ..... Date: .....

Signed: ..... Date: .....

For and on behalf of: .....

This acknowledgement should be signed:

- (a) Where the proposed/actual group member/Significant Sub-Contractor(s) is an individual, by that individual;
- (b) Where the proposed/actual group member/Significant Sub-Contractor(s) is a partnership, by two duly authorised partners; and
- (c) In the case of a company, by two directors or a director and the secretary of the company.

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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**Cheshire East Borough Council**

**BID FORM 3 - CERTIFICATE OF NON-COLLUSION AND  
NON-CANVASSING**

***(Completion of this section is to be scored on a pass/fail basis.)***

**The Provision of an Organic Waste Treatment Solution (the “Contract”)**

To: Cheshire East Borough Council  
(Via ‘The Chest’)

Date:

For the Attention of: **Ralph Kemp**

**Statement of non-canvassing**

I/we hereby certify that I/we have not canvassed any member, Director, employee, representative or adviser of the Council in connection with the proposed award of the Contract by the Council, and that no person employed by me/us or acting on my/our behalf, or advising me/us, has done any such act.

I/we further hereby undertake that I/we will not canvass any member, Director, employee, representative or adviser of the Council in connection with the award of the Contract and that no person employed by me/us or acting on my/our behalf, or advising me/us, will do any such act.

**Statement of non-collusion**

The essence of selective tendering for the Contract is that the Council shall receive bona fide competitive Tenders from all Tenderers.

In recognition of this principle, I/we certify that this is a bona fide offer, intended to be competitive and that I/we have not fixed or adjusted the amount of the offer in accordance with any agreement or arrangement with any other person (except any sub-contractor identified in this offer).

I/we also certify that I/we have not done, and undertake that I/we will not do, at any time any

Private and Confidential	Page 55 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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of the following acts:

- (a) communicating to a person other than the Council, the amount or approximate amount of my/our proposed offer except where the disclosure in confidence of the approximate value of the Tender was essential to obtain insurance premium quotations required for the preparation of the Tender;
- (b) entering into any agreement or agreements with any other person that they shall refrain from tendering or as to the amount of any offer submitted by them;
- (c) offering or agreeing to pay or give or actually pay or give any sum of money, inducement or valuable consideration, directly or indirectly, to any person for doing or having done or having caused to be done in relation to any other offer or proposed offer, any act or omission; or
- (d) committing any offence under the Bribery Act 2010 or any subordinate legislation made under that Act from time to time.

<http://www.legislation.gov.uk/ukpga/2010/23/contents>

I/we agree that there is a requirement to disclose and declare any direct or indirect financial or non-financial interest in an organisation, company, or other body that is doing business with, or has dealings with, the Council and where this may affect and/or could bring about a conflict with the Council's interests.

I/we should notify this to the Council and that failure to disclose or declare such an interest could result in the Contract being terminated.

I/we agree that the Council may, in its consideration of the offer and in any subsequent actions, rely upon the statements made in this Certificate.

Signed \_\_\_\_\_

Name: \_\_\_\_\_

Position \_\_\_\_\_

For and on behalf of **[Tenderer]**

\_\_\_\_\_



Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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#### Bid Form 4: Confidential Information

*Note: This form is to be completed by the Bidder and/or the Lead Applicant as applicable.*

Information considered to be exempt from Freedom of Information and/or Environmental Information Regulation requests.

- Any information supplied, which the Bidder considers may be potentially exempt from disclosure under the Freedom of Information Act 2000 (FOIA) and/or Environmental Information Regulations 2014 (EIR) **MUST** be set out in this Bid Form.
- Any information not contained in this Bid Form will be subject to disclosure without any prior consultation.
- The information considered to be exempt must be referred to in the table below; this could be a whole section of the documentation provided, a clause or paragraph in the documentation provided.
- The Bidder should set out in this Bid Form that information which it considers to be exempt from disclosure, the reason for non-disclosure, the exemption that might be applicable and the time period for which this information should be considered to be exempt.
- The Bidder acknowledges nevertheless that any information contained within this section is indicative only and the Council may nevertheless be required to disclose such information under the FOIA and/or EIR. The Bidder should also include in this section the name and contact details of a person who will be able to handle FOI/EIR requests.

<b>Bidder name:</b>	
<b>Address:</b>	
<b>Contact name:</b>	
<b>Telephone number:</b>	
<b>Fax:</b>	
<b>E-mail:</b>	

In setting out the information considered to be exempt, the Bidder should include below where the information is located within their Bid(s).

Exempted information (cross reference to Bid)	Reason for exemption	Exemption applied to be	Time period for exemption

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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**Please use additional sheets if necessary using the same format as above.**

Cheshire East Council Organic Waste Treatment Solution	ITPD Part 6	ITSOS bid forms
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**Cheshire East Borough Council**

**BID FORM 5 - FORM OF TENDER**

***(Completion of this section is to be scored on a pass/fail basis.)***

**The Provision of an Organic Waste Treatment Solution  
ANTICIPATED PERIOD: April 1st 2017 - 31st March 2034**

**FORM OF TENDER**

To: Cheshire East Borough Council  
(Via 'The Chest')

For the Attention of **Ralph kemp**

Date: \_\_\_\_\_

Dear Sir/Madam,

**Tender for The Provision of an Organic Waste Treatment Solution**

I/We the undersigned, hereby tender this Outline Solution for the purpose of seeking to continue in dialogue and of being invited to submit a Final Tender.

Attached to this Form of Tender are the following:

- a. My/our response to the requirements of the ITSOS;
- b. My/our Tender with all relevant documents.

I/We confirm that I/we can supply the Contract as specified in this ITSOS.

I/We confirm that the information supplied to you and forming part of this Tender including (for the avoidance of doubt) any information supplied to you as part of my/our initial expression of interest in tendering, was true when made and remains true and accurate in all respects.

Private and Confidential	Page 60 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 1	Glossary of Terms
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I/We confirm and undertake that if any of such information becomes untrue or misleading that I/we shall notify you immediately and update such information as required.

I/We confirm that the undersigned are authorised to commit the Tenderer to the contractual obligations contained in the ITSOS

Signed by  
Name(s) \_\_\_\_\_  
Position \_\_\_\_\_

for and on behalf of [ **Insert Company Name** ]

Full registered business / name and registered company address of the Tenderer

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Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 1	Glossary of Terms
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## APPENDIX 1 GLOSSARY OF TERMS

2015 Regulations	means the Public Contracts Regulations 2015 as amended (and references to any Regulation is a reference to a Regulation in the 2015 Regulations unless stated otherwise)
Applicant	means an organisation who expressed an interest in the Project by submitting a response to the PQQ
Council Site	means a site which the Council is willing to make available to the successful Bidder for Lot 1 as explained in paragraph 9 in Part 1 of this ITPD
Background Information	means the background information set out in Appendix 7 to this ITPD
Bidder(s)	means an Applicant who is selected to be invited to participate in dialogue for the Project
Bid Form	means a bid form set out in Part Six of this ITPD
Call for Final Tender (or CFT)	means the Council's Invitation to Submit Final Tender document to be issued to Bidders shortlisted after evaluation of responses to the ITSDS
Council	means Cheshire East Borough Council
Competitive Dialogue (or CD)	means competitive dialogue pursuant to Regulation 30 of the 2015 Regulations
Contractor	means the successful Bidder who enters into the Contract with the Council for the delivery of the Project
Descriptive Document	means the Council's descriptive document for the Project issued to Bidders with the ITPD and ITSDS in accordance with Regulation 30(6) of the 2015 Regulations
Evaluation Criteria	means the Council's evaluation criteria for the Project as described in Appendix 2 of the ITPD
Evaluation Model	means the Council's evaluation methodology for the Project applicable to each stage of the CD as

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 1	Glossary of Terms
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	described in Part Four and Appendix 2 of the ITPD
Facility	means an Organic Waste treatment facility
Final Tenders	means the final tenders submitted by the Bidders for the Project pursuant to Regulation 30(15) of the 2015 Regulations
ITSOS or Invitation to Submit Outline Solution	means the Council's invitation to submit Outline Solution issued to Bidders shortlisted after evaluation of responses to the PQQ
ITSDS or Invitation to Submit Detailed Solution	means the Council's invitation to submit Detailed Solution issued to Bidders after evaluation of responses and dialogue at the ITSOS
ITPD or Invitation to Participate in Dialogue	means the Council's invitation to participate in dialogue issued to Bidders selected at PQQ who are invited to participate in dialogue pursuant to Regulation 30
Lead Applicant	where Applicants acted jointly in expressing an interest in the (i.e. a group bid) the participating organisation who was identified as lead Applicant
Mandatory Requirements	means the Mandatory Requirements for Outline Solution(s) identified in paragraph 11 of the ITPD
Method Statements (or MS)	means the Bidder's method statements to be submitted (or submitted) in accordance with the guidance in the Specification to form part of the Outline Solution
Minimum Standards	the Council's minimum standards for selection as set out in the PQQ
Organic Waste	is biodegradable material such as food, garden and lawn clippings
Outline Solution	means an outline Solution setting out a Bidder's proposal for the Project in response to the ITPD
PQQ	means the Council's pre-qualification questionnaire
Preferred Bidder	means the Bidder who submits the most economically advantageous tender and is awarded such status after submission and evaluation of Final

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 1	Glossary of Terms
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	Tenders
Prime Contractor	for the purposes of the PQQ assessment, means an Applicant who expressed an interest with one or more sub-contractors
Project	means the Organic Waste treatment facility project
Relevant Organisation	means a relevant organisation in accordance with the PQQ: <ul style="list-style-type: none"> <li>• where an Applicant is a single organisation, that single organisation;</li> <li>• where the Applicant is a group, the Lead Applicant and each group member; or</li> <li>• where the Applicant is a Prime Contractor, the Prime Contractor and each Significant Sub-contractor</li> </ul>
Significant Sub-Contractor	means a significant sub-contractor for the purpose of the Council's PQQ. Where an Applicant has proposed a subcontracting arrangement, each proposed subcontractor where that proposed subcontractor will be contributing significantly, either in terms of value or importance to the Project
Solution or Bid	means a solution setting out a Bidder's proposal for the Project. A Solution may be an Outline Solution or Final Tender (or any other solution submitted as part of the Competitive Dialogue)
SPV	means a special purpose vehicle, a legal entity established or to be established by or on behalf of a Bidder for the purpose of delivering the Project



Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
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## APPENDIX 2 EVALUATION MODEL

### 1. Introduction – Evaluation Criteria and Evaluation Methodology

- 1.1 The Council is committed to a clear, transparent and fair procurement process entirely in keeping with the Public Contracts Regulations 2015. Accordingly, the Evaluation Criteria and evaluation methodology are set out in detail in this Evaluation Model.
- 1.2 Pursuant to Regulation 67(1) of the 2015 Regulations, the Council intends to award the Contract to the most economically advantageous tender, provided that the Bid meets the compliance criteria (paragraph 4 below).
- 1.3 In accordance with Regulation 67(9) of the 2015 Regulations, the Evaluation Criteria to be applied to determine the most economically advantageous tender, together with the weightings to be applied to those Evaluation Criteria at each stage of the procurement are set out in paragraph 5 below (both tier 1 and tier 2 criteria). Bidders will note that the tier 1 weightings to apply to the evaluation of Outline and Detailed Solutions and Final Tenders have been fixed.
- 1.4 The Council will not apply any further sub-criteria when evaluating Outline Solutions. At ISDS and Final Tender stage the Council reserves the right to further unpack tier 2 sub-criteria into tier 3 sub-criteria and/or to apply any further tier 2 sub-criteria that may be required. Given the complexity of the process and the different issues to be explored in dialogue, the Council will do so if it reasonably considers that this will assist Bidders selected to submit ISDS and Final Tenders to develop their Solutions and progress issues.
- 1.5 The Council does not intend to further shortlist Bidders between the ISOS evaluation and ISDS stages of the procurement.
- 1.6 Before a Bid can be evaluated it must meet the Submission Requirements set out at paragraph 4 below.

### 2. Evaluation Team

- 2.1 The Council has engaged independent financial, technical and legal consultants to augment its in-house team in order that the procurement can proceed in line with the proposed project timetable.
- 2.2 The project procurement team has been formed to provide the breadth and depth of expertise required for the assessment of submissions throughout the evaluation stages. Personnel have been carefully selected to represent all technical, financial and legal requirements within the tender and submitted tender documents. The proposed evaluation team that will work under the management of the Council's Project Manager is as follows:

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
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Assessment Area	Council Department	Consultancy Support
Technical	Waste and Environmental Services	WRM Ltd.
Procurement	Procurement & Legal services	WRM Ltd.
Legal	Procurement & Legal services	Sharpe Pritchard
Finance	Financial Services	WRM Ltd

2.3 The responsible officer for this procurement project is the Council's Lead Officer for Corporate Manager Commissioning - Waste and Environmental Services for Environmental Services, supported by the designated Project Manager.

2.4 The evaluation team will follow the evaluation methodology set out in this Evaluation Model.

2.5 Having evaluated the relevant sections of an Outline Solution to arrive at a weighted score for the particular Evaluation Criteria being assessed, the scores will be added together to arrive at a single score for each Bid, as set out in paragraph 5 below.

### 3. Presentations and Site Visits

3.1 Bidders may from time to time be invited to make presentations to the Council and/or the Council may make site visits. This is to inform the Council and to assist its understanding and appreciation of Solutions. Bidders' performance at any presentations and/or observations at site visits will not form part of the Council's evaluation and will not be scored.

### 4. Initial Assessment, Submission Requirements and Mandatory Requirements

#### Submission Requirements

4.1 Outline Solutions will first be subject to an initial assessment to determine completeness and compliance with the Submission Requirements set out in Table 1 (Submission Requirements) below and to identify significant initial points of clarification.

4.2 At Outline and Detailed Solution stages, only the Submission Requirements 1 – 5 shall apply. Bidders should note however that at Final Tender stage, Submission Requirement 6 shall also apply and it will be a Submission Requirement that Bidders submit a Bid that reflects the dialogue to date and does not step back or renege from the Solution as progressed in dialogue.

4.3 Where an Outline Solution is not substantially complete and/or is inconsistent or where vague or ambiguous information is presented, one of the following courses of action (which are not necessarily mutually exclusive) will be taken:

4.3.1 Information presented will be analysed and, where necessary, specific clarification sought from the Bidder; and/or

4.3.2 The Council may not consider the Bid at this stage of the evaluation; and/or

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
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4.3.3 The Council may reject the Bid if the omissions, inconsistencies, vagaries or ambiguities are substantial and material.

4.4 The Council reserves the right in its absolute discretion at any time to reject any Solutions and/or Bidder who scores 51% or less in any response to Evaluation Criteria.

4.5 Bidders should note that the Submission Requirements are pass/fail and the Council reserves the right not to consider an Outline Solution which fails to comply with the Submission Requirements at any stage (whether identified during the initial assessment or at any other time) regardless of its overall score and ranking.

4.6 As part of the initial assessment, Bidders must confirm that their circumstances, including economic and financial standing and technical capacity and ability have not materially changed detrimentally since PQQ. Although generally these are matters for PQQ and will not be revisited during evaluation of the Outline Solutions (since they were satisfied at PQQ stage), the Council reserves the right to consider these issues if there are material detrimental changes at any time during the procurement (whether identified during the initial assessment or at any other time).

**Table 1: Submission Requirements**

<b>Submission Requirements</b>	<b>Compliance Criteria Explanation</b>	<b>Evaluation</b>
1. Compliant and bona fide Outline Solution	Outline Solution will be checked to ensure that there is no material breach of ITSOS requirements, no collusion or corruption and no anti-competitive behaviour and that the Mandatory Requirements have been complied with (in so far as they can be determined on initial assessment).	Pass/fail
2. Completeness of information	Outline Solution must include all information requested in the ITSOS and provide fully developed Solutions in accordance with the ITSOS Requirements.	Pass/fail
3. Legality	Outline Solution must have no legal impediments; Outline Solution and proposed contractual arrangements must be lawful and intra vires the Council and the Bidder.	Pass/fail
4. Form of Covering Letter/ Bid Forms	Form of Covering Letter/Bid Forms must be signed at director level to demonstrate board	Pass/fail

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

	support for the Bid. In the case of a consortium or grouping these must be signed at director level by each member of the consortium or group.	
5. No material detrimental change since PQQ	Bidders must confirm that there has been no material detrimental change in their economic and financial standing and/or technical ability and capacity since submission of PQQ.	Pass/fail
6. No material or substantial changes	<b>Final Tender must reflect the dialogue to date and must not step back or renege from the Solution as submitted at ISDS and previously progressed in Outline dialogue.</b>	<b>n/a to Outline Solutions</b>

4.7 Bidders who meet the Submission Requirements will then be evaluated pursuant to the evaluation methodology set out in this Evaluation Model.

4.8 Unless otherwise specified, evaluation against tier 2 sub-criteria is based on 0-5 scoring system with the typical characteristics defined for each score within this range.

### **Mandatory Requirements**

4.9 In addition to meeting the Submission Requirements, Outline Solutions must also meet the Mandatory Requirements described in section 11 of part one of this document. Outline Solutions will be rejected (following clarification if necessary) at any point during the evaluation where a Bid fails to meet the Mandatory Requirements.

4.10 Evaluation of Outline Solutions against the Mandatory Requirements may take longer than checking the Submission Requirements because it will involve a more detailed assessment of Outline Solutions. Accordingly in the interests of expediency unless it is clearly obvious that the Bid does not meet the Mandatory Requirements, it is likely that the evaluation team will commence evaluation of all Outline Solutions that meet the Submission Requirements. Where, however, the evaluation process demonstrates at any point during the procurement that a Bid fails to meet the Mandatory Requirements that Bid will (following clarification if necessary) be rejected.

## **5. Evaluation of Outline Solutions**

5.1 In the interests of transparency, fairness and to ensure there is no discrimination, the weightings for this and the ITSDS and CFT stages have been fixed. This will enable Bidders to determine the relative importance of the various factors before commencing preparation of their Outline Solution. If any further stage is introduced into the procurement, the weightings

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

of the Evaluation Criteria for that stage will be fixed and advised to Bidders in advance of the relevant submission.

5.2 The Council has set four tier 1 assessment criteria which are weighted to reflect the Council's priorities at each stage of the procurement process. These assessment criteria and weighting are separate for each Lot and Tables 2 and 3 below present the criteria and weightings specific to each Lot.

**Table 2 –Tier 1 Evaluation Criteria for Lot 1**

	Weighting to apply		
Tier 1 Criteria	ITSOS	ISDS	CFT
Legal and Contractual	20%	12%	8%
Technical	60%	36%	24%
Financial and Commercial	20%	12%	8%
Quantitative	0%	40%	60%
Total	100%	100%	100%

**Table 3 –Tier 1 Evaluation Criteria for Lot 2**

	Weighting to apply		
Tier 1 Criteria	ITSOS	ISDS	CFT
Legal and Contractual	20%	8%	6%
Technical	60%	24%	18%
Financial and Commercial	20%	8%	6%
Quantitative	0%	60%	70%
Total	100%	100%	100%

5.3 Each of the tier 1 evaluation criteria is broken down into tier 2 evaluation criteria to reflect the specific evaluation criteria within each tier 1 theme. These assessment criteria and weighting are separate for each Lot and Tables 4 and 5 below present the criteria and weightings specific to each Lot.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

**Table 4: Tier 2 Evaluation Sub-Criteria for Lot 1**

Tier 1 Criteria		Tier 2 Sub-Criteria	Weighting to apply at ITSOS	Weighting to apply at ITSDS	Weighting to apply at CFT
Legal and Contractual	L1	Degree of compliance with the draft contract documents and schedules	40%	60%	60%
<b>Legal and Contractual Total Weighting</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>
Technical	T1	Suitability of Proposals for the Receipt of Contract Waste	7%	7%	7%
	T2	Appropriateness of Capacity Provision	7%	7%	7%
	T3	Suitability, Robustness and Track Record of Treatment Process	17%	17%	17%
	T4	Viability and Demonstrated Experience of Solution Proposals for Securing Offtakes for process Outputs and Maximising their Value	10%	10%	10%
	T5	Robustness and Suitability of Proposals for Operating the Facility	11%	11%	11%
	T6	Evidence of a Comprehensive and Robust Approach to Regulatory Compliance	10%	10%	10%
	T7	Deliverability of the Facility with regards to Construction and Commissioning	14%	14%	14%
	T8	Evidence of a Comprehensive and Robust approach to Health, Safety, Quality and Environment	3%	3%	3%
	T9	Comprehensiveness and Suitability of Contingency Arrangements	5%	5%	5%
	T10	Demonstration of a Robust and Integrated Approach to Managing the Facility and Service	12%	12%	12%
	T11	Creation and contribution of social value	4%	4%	4%

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

Technical Total Weighting			100%	100%	100%
Financial and Commercial	F1	Payment Mechanism and Commercial (Financial) Terms	40%	40%	40%
	F2	Financial Robustness	20%	20%	20%
	F3	Deliverability of Funding Package	40%	40%	40%
Financial and Commercial Total Weighting			100%	100%	100%

**Table 5: Tier 2 Evaluation Sub-Criteria for Lot 2**

Tier 1 Criteria		Tier 2 Sub-Criteria	Weighting to apply at ITSOS	Weighting to apply at ITSDS	Weighting to apply at CFT
Legal and Contractual	L1	Degree of compliance with the draft contract documents	40%	60%	60%
Legal and Contractual Total Weighting			100%	100%	100%
Technical	T1	Suitability of Proposals for the Receipt of Contract Waste	10%	10%	10%
	T2	Appropriateness of Capacity Provision	13%	13%	13%
	T3	Suitability, Robustness and Track Record of Treatment Process	17%	17%	17%
	T4	Viability and Demonstrated Experience of Solution Proposals for Securing Offtakes for Process Outputs and Maximising their Value	10%	10%	10%
	T5	Robustness and Suitability of Proposals for operating the Facility	13%	13%	13%
	T6	Evidence of a comprehensive and robust Approach to Regulatory compliance	11%	11%	11%

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

	T7	Evidence of a Comprehensive and Robust Approach to Health, Safety, Quality and Environment	4%	4%	4%
	T8	Comprehensiveness and Suitability of Contingency Arrangements	6%	6%	6%
	T9	Demonstration of a Robust and Integrated Approach to Managing the Facility and Service	12%	12%	12%
	T10	Creation and contribution of social value	4%	4%	4%
<b>Technical Total Weighting</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>
Financial and Commercial	F1	Payment Mechanism and Commercial (Financial) Terms	90%	90%	90%
	F2	Financial Robustness	10%	10%	10%
	F3	Deliverability of Funding Package	0%	0%	0%
<b>Financial and Commercial Total Weighting</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>

5.4 Outline Solutions will be assessed against each of the tier 1 criteria and tier 2 sub-criteria set out above and scored in accordance with the evaluation methodology and scoring system set out in paragraphs 6 and 7 below.

5.5 Scores awarded for each tier 2 sub-criterion will then be weighted in accordance with Table 3 and added together to provide a score for each relevant tier 1 criterion.

5.6 The scores for each tier 1 criterion will then be weighted in accordance with Tables 2 and 3 (Tier 1 Evaluation Criteria) and added together to arrive at a total weighted score for each Bid.

5.7 Whilst the Council has taken care to identify which aspects of Bidders' Solutions are relevant to each Evaluation Criteria (and sub-criteria), in a Project as inter-related technically, legally, financially and commercially as this, it may not be reflective of related provisions elsewhere in the Solution. The Council therefore reserves the right to look across each Outline Solution to ensure that positions are consistent throughout. Where there are any ambiguities or inconsistencies the Council may clarify and reserves the right to take into account on evaluation relevant information presented in a different part of a Bid and/or in response to a



Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
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clarification question. There will not however be any double counting of matters, and this is simply a due diligence exercise.

## **6. Evaluation of Qualitative Assessment Criterial (Legal & Contractual, Technical, and Financial & Commercial).**

- 6.1 Outline Solutions will be scored against the tier 2 Quality criteria set out in line with the relevant legal and contractual, technical and financial and commercial Sections A-D below.
- 6.2 The scores for each relevant tier 2 sub-criterion will then be weighted using the relevant tier 2 sub-criterion weightings set out in Tables 4 and 5 above.
- 6.3 The Council has provided guidance in the table above to enable Bidders to determine even more clearly how the Evaluation Criteria will be assessed. This information is guidance only as to how the information submitted by Bidders will be evaluated and not sub-criteria to any tier 2 sub-criterion.
- 6.4 The evaluation team will decide if it is appropriate to seek clarification of Outline Solutions and may in its discretion request further information from Bidders in order to understand the nature of what is proposed and to enable the Council to complete its evaluation of Outline Solutions. Bidders should note that a request for clarification by the Council is not an opportunity for a Bidder to alter its Bid. The Council will ask for a response within a reasonable period of time dependent on the nature of the clarification question and Bidders are required to comply with that deadline set.
- 6.5 The Council will award a score as described in Tables 6, 7, 8 and 9 (Scoring Tables) below for each Bidder's response to the Evaluation Criteria for Quality.

### **SECTION A – Scoring of Legal and Contractual Qualitative Criteria**

- 6.6 The scoring of the legal quality question, the degree of compliance with the draft contract documents is set out in Table 6 and the appropriate tier 2 weighting will be applied to that score.

**Table 6: Tier 2 Scoring approach for legal and contractual qualitative response (Lots 1&2)**

Score	Rating	Basis for Allocating Score
5	Outstanding	Robust commentary, very clear mark up with all (or substantially all) the Council's preferred positions accepted.  (Note that a light mark up is not necessarily a good thing if it cannot be relied upon. Whereas obviously a light mark up which changes little in the contract is welcome, it will be trusted only if it has a clear statement that the mark up is supported by the Bidder, is not merely "preliminary".)

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

4	Very good	<p>Closely aligned with Council's preferred positions, with only a few derogations which are nevertheless on-market. Other risk positions reasonable and Contractor accepting a good level of risk in relation to change in law, liability caps, minimum tonnages, third party income and composition.</p> <p>Evidence of that funders lawyers have considered mark up and are content with it subject to final due diligence.</p> <p>Supervening events are largely WIDP standard with very limited extension of compensation events through service phase.</p> <p>Bidder accepts the majority of the Council's positions as set out in the commercial summary: latent defects, ground conditions, composition risk, no exclusivity, permitting risk and no or low bid or development costs in breakage for failing to achieve planning.</p>
3	Satisfactory	<p>Broadly aligned with Council's preferred positions, with some derogations which are nevertheless on-market. Other risk positions reasonable and Contractor accepting at least some risk in relation to ground conditions, planning, permitting, change in law, liability caps, minimum tonnages, exclusivity, third party income and composition.</p> <p>Evidence that lawyers have considered mark up and are content with it subject to final due diligence.</p>
2	Basic	<p>Movement away from Council's preferred positions is generally fairly extensive. Risk position on ground conditions, planning, permitting, change in law, liability caps, minimum tonnages, exclusivity, third party income and composition not hugely favourable to the Council.</p> <p>Some evidence of legal due diligence.</p>
1	Wholly unsatisfactory	<p>Significant departures from Council's preferred positions. Major contractual risks fall to the Council. Limited risk transfer in relation to ground conditions, composition, planning and permitting. Significant breakage for planning or permitting failure including bid or development costs. Requirement for exclusivity. Permitting risk as for planning with no sponsor acceptance of risk.</p> <p>Minimal evidence of legal due diligence.</p>

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

0	Not rated	No contract mark up or accompanying commentary provided, or only high level commentary with unclear or vague positions.
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## SECTION B – Scoring of Technical Qualitative Criteria

6.7 The tier 2 evaluation criteria will be applied to the method statement responses provided in part five of this ITSOS document. Each individual question (within T1-T11 for Lot 1, and T1-T10 for Lot 2) will be assigned a score in line with the scoring system presented in Table 7.

6.8 The scores received for each question will then be accumulated into a score for each tier 2 assessment criteria, and the appropriate tier 2 weighting will be applied to that score.

**Table 7: Tier 2 Scoring approach for technical section of qualitative response (Lots 1&2).**

Score	Rating	Basis for Allocating Score
5	Outstanding	No significant omission identified in the answer to the question. The solution is able to meet the Technical Specification in every respect.
4	Very good	Elements or omissions are identified in the answer but are not considered to have a material impact on the ability of the solution to meet the Technical Specification.
3	Satisfactory	Elements or omissions identified in the answer that have the potential to make material and negative impact on the ability of the solution to meet the Technical Specification but have the potential to be resolved.
2	Basic	Elements or omissions identified in the answer that have the potential to make a material impact on the ability of the solution to meet the Technical Specification.
1	Wholly unsatisfactory	Elements or omissions identified in the answer that will have a material negative impact on the ability of the solution to meet the Technical Specification
0	Not rated	Insufficient information or evidence to support proposal to allow evaluation.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

In order to attain a satisfactory score of 3, Bidders will need to have adequately demonstrated in their answers that the proposed solution can deliver the requirements of the technical specification with clear evidence submitted to support the response to each point. Answers that fail to do so, fail to provide clear evidence, or other concerns will score 2 points.

To score 4 or above, answers should demonstrate an ability to deliver the requirements of the technical Specification without need for resolution of any elements of, or omissions in, the answer.

A score of 1 against any criteria indicates that a Bidder's proposal in that area is wholly unacceptable and raised significant concerns with no evidence that concerns are likely to be overcome through dialogue

## SECTION C: Scoring of Financial and Commercial Qualitative Criteria

6.9 Responses to ISOS Questions will not be scored individually but will be assessed together and will inform the overall score allocated to the relevant Tier 2 criteria to which they relate.

6.10 A score of zero or one against any criteria indicates that a Bidder's proposal in that area is generally unacceptable and raised significant concerns with no evidence that the concerns are likely to be overcome through further participation in dialogue.

6.11 Bidders should note that Outline Solution(s) must be acceptable in every Tier 2 criteria to be acceptable overall. Any Solution(s), therefore, must score more than one for each Tier 2 criterion otherwise it may be rejected notwithstanding the overall score and ranking.

6.12 Scoring for Tier 2 criteria F1 will be applied as set out in Table 8 below:

**Table 8: Tier 2 Scoring approach for criteria F1**

Score	Basis for scoring criteria F1
5	<p>The Bidder either fully accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) or, where amendments/bid back items are proposed, those amendments are considered acceptable to the Council (e.g. on VFM grounds).</p> <p>The level of risk accepted by the Bidder in relation to commercial positions not embodied within the Payment Mechanism is considered acceptable to the Council (e.g. on Value for Money (VFM) grounds).</p>
4	The Bidder clearly accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) but proposes a number of amendments/bid back items, the majority of which are considered acceptable to the

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

	<p>Council (e.g. on VFM grounds) and the remainder are considered surmountable and therefore has the potential to expose the Council to some but not significant risk.</p> <p>The level of risk accepted by the Bidder in relation to commercial positions not embodied within the Payment Mechanism is considered acceptable to the Council (e.g. on VFM grounds) and exposes the Council to limited risk.</p>
3	<p>The Bidder clearly accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) but proposes a number of amendments/bid back items, some of which are considered acceptable to the Council (e.g. on VFM grounds) and the majority are considered surmountable and therefore has the potential to expose the Council to a greater risk.</p> <p>The level of risk accepted by the Bidder in relation to commercial positions not embodied within the Payment Mechanism is considered acceptable to the Council (e.g. on VFM grounds) and has the potential to expose the Council to some but not significant risk.</p>
2	<p>The Bidder accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) but proposes a number of amendments/bid back items, the majority of which are either unacceptable to the Council (e.g. against the core principles) or do not demonstrate VFM and has the potential to expose the Council to more significant risk.</p> <p>The level of risk accepted by the Bidder in relation to commercial positions not embodied within the Payment Mechanism has the potential to expose the Council to significant risk.</p>
1	<p>The Bidder does not accept or does not clearly accept the Payment Mechanism Principles and/or proposes a number of significant amendments/bid back items which are unacceptable to the Council (e.g. on VFM or Risk grounds).</p> <p>The level of risk accepted by the Bidder in relation to commercial positions not embodied within the Payment Mechanism is considered unacceptable to the Council (e.g. on VFM grounds).</p>
0	<p>There is insufficient information or evidence to support proposal to allow the Council to evaluate.</p>

6.13 Scoring for Tier 2 criteria F2 and F3 will be applied as set out in Table 9 below:

**Table 9: Tier 2 Scoring approach for criteria F2 and F3**

Score	Basis for scoring criteria F2 and F3
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Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

5	There are no significant issues identified in relation to the deliverability of funding or the financial robustness of the solution proposed by the Bidder.
4	There are issues identified in relation to the deliverability of funding or the financial robustness of the solution proposed by the Bidder but they are not considered to have a material impact on the deliverability of the Project.
3	There are issues identified in relation to the deliverability of funding or the financial robustness of the solution proposed by the Bidder which have the potential to materially impact the deliverability of the Project but are considered capable of resolution.
2	There are issues identified in relation to the deliverability of funding or the financial robustness of the solution proposed by the Bidder which have the potential to materially impact the deliverability of the Project.
1	There are issues identified in relation to the deliverability of funding or the financial robustness of the solution proposed by the Bidder, which materially adversely impact the deliverability of the Project.
0	There is insufficient information or evidence to support proposal to allow the Council to evaluate.

## SECTION D QUANTITATIVE

### 7. Tier 1 Criterion: Quantitative (0% of overall ISOS evaluation marks)

7.1 This Tier 1 criteria is not scored at ISOS as the Council recognises that the robustness of any pricing information provided by Bidders at this stage is difficult to determine. The issue of pricing is however important to the Council, as is demonstrated by weighting ranges assigned at ISDS and ISFT

7.2 At ISDS and CFT the Quantitative Tier 1 criteria will be evaluated in two parts as follows:

7.2.1 Affordability Assessment – this is a Pass/Fail test and any Bid which is awarded a Fail may not be considered further in the evaluation process; and

7.2.2 Price Evaluation.

#### Affordability Assessment

7.3 Bidders are required to submit a Total Affordability Price (on an annual basis and showing the Total Affordability Price across the evaluation period) which will be calculated as follows:

**Total Affordability Price = Base Payment +/- Adjustments**

Private and Confidential	Page 78 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

Where:

Base Payment	Base Payment payable by the Council to the Contractor from the Planned Service Commencement Date to 31 March 2034. This will be extracted directly from the Bidder's Financial Model, and must reflect the price payable in respect of the Council's forecast wasteflow in accordance with the Payment Mechanism.
Adjustments	The values for individual adjustments to the Base Payment to reflect the total cost of the Bid to the Council including but not limited to those detailed below. The Council is currently finalising work carried out to detail the underlying costs of the wider Green Waste and Residual Waste service provision which will feed into the affordability analysis and the adjustments which may need to be carried out to the Base Payment. Further detail on these adjustments will be provided to Bidders during the dialogue process and in the ISDS instructions.
IC	Initial Costs, which reflect the costs forecast to be incurred in total nominal terms by the Council in the disposal of Organic Waste from the 1 April 2019 to the Planned Service Commencement Date. These costs are expected to be based on the expected cost of Green Waste and Food Waste processing during the period until 1 April 2019.
NNDR	National Non Domestic Rates, which for Lot 1 will be payable by the Council as a pass through cost. The Council will provide Bidders in the Lot 1 with the amount to include when they have further details regarding the proposals in order to estimate the NNDR cost. Bidders will then have the option as to whether they accept the NNDR pass through approach or to take the risk on NNDR themselves and include the cost within the financial model and Base Payment. For the avoidance of doubt Bidders in Lot 2 are expected to take full NNDR risk and include the cost in the financial model and Base Payment.
TC	Transport Costs, which may be incurred by the Council in additional time taken and mileage travelled (round trip basis) by the Council's collection team service in delivering Organic Waste to an Alternative Site. Note that the value of TC may be negative where the Bidder's Alternative Site is more efficient for the Council from a collection basis. The impact of Alternative Sites should be discussed early in the dialogue process so the impact of their location can be understood. Prior to such dialogue the Council is expecting to deliver Organic Waste to one or more locations within the Council boundary. Where a Bidder site is out of the Council boundary the Council expects to deliver to transfer station/s within boundary and for the Bidder to include the cost of bulk hauling in their proposed Base Payment.
PSFC	Public Sector Funding Costs which will reflect the cost forecast to be incurred by the Council in providing funding to the Bidder. It is currently

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

	expected this cost will be based on an annual interest rate of 3.5%.
LC	Land Cost which may be incurred by the Council in providing the Reference Site.

7.4 Bidders will be required to complete a Total Affordability Price proforma setting out each of the items detailed above.

7.5 The Council will then make the following adjustments to the Total Affordability Price (to give the Adjusted Total Affordability Price) to reflect any additional costs incurred or revenues received by the Council as a result of the bid solution. The adjustments will be:

- 7.5.1 Any errors identified within the bid submission which have not been rectified through the clarification process;
- 7.5.2 Any adjustments required to ensure that the Bidder is compliant with the Council's requirements, which have not been rectified through the clarification process; and
- 7.5.3 Any other adjustments deemed necessary by the Council to reflect any other financial implications of the bid solution to the Council.

7.6 The Adjusted Total Affordability Price will be the basis on which affordability is assessed.

The Council has determined that the Adjusted Total Affordability Price must not exceed £19,310,724 (the "Affordability Limit"). This Affordability Limit is based on:

- 40,000 tonnes per annum
- £25.00/tonne
- 1/4/2016 base date
- 2.5% indexation
- Affordability period start – 1/4/2019
- Affordability period end – 31/3/2034

Any Bidder submitting a proposal which exceeds the Affordability Limit will be awarded a Fail and may be disqualified from the evaluation process.

The Council reserves the right to amend the Affordability Limit at any time during the procurement process.

## Price Evaluation

7.7 The Price Evaluation will be undertaken on an NPV basis. The NPV of the Adjusted Total Affordability Price will be calculated using the following principles:

- 7.7.1 HM Treasury discount rate of 3.5% (real) assuming 2.5% inflation i.e. 6.0875% nominal;
- 7.7.2 Cashflows discounted to 1 April 2016; and
- 7.7.3 Cashflows assumed to occur at each year end (31st March).

7.8 The Price Evaluation proforma will calculate the NPV of the Affordability Test Price ("Price Evaluation NPV") for each Bidder.

Private and Confidential	Page 80 of 112	
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Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 2	Evaluation Model
---	--------------------	------------------

7.9 The Price Evaluation Score will be allocated as follows:

$$\text{Price Evaluation Score} = \text{QT1\%} - (((\text{BNPV} - \text{LNPV}) / \text{LNPV}) \times \text{QT1\%})$$

Where

QT1%	The percentage weighting allocated to the Quantitative Tier 1 evaluation criteria
BNPV	The Price Evaluation NPV for the relevant Bidder
LNPV	The Price Evaluation NPV for the Bidder with the lowest Price Evaluation NPV. For the avoidance of doubt only Bids which have not been disqualified in the evaluation process will be included in the Price Evaluation analysis

The Price Evaluation Score will be subject to a minimum of 0%.

7.10 The Price Evaluation Score will account for 100% of the Quantitative Tier 1 score.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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## APPENDIX 3 DRAFT TECHNICAL SPECIFICATION

1.1.1 The Services required by the Council are for the provision, operation and management of an Organic Waste Treatment Facility which shall receive Contract Waste delivered by the Council and the Council's Contractors. The core aspects of the required Services will include:

- (i) The receipt of co-mingled garden and food waste Contract Waste collected by the Council from households and Household Waste Recycling Centres;
- (ii) Storage of Contract Waste prior to processing. Storage shall be undertaken in a way that minimises environmental risk and also contamination of the Contract Waste with other substances;
- (iii) Provision of a treatment Facility, comprising all required plant and equipment to process Contract Waste by an anaerobic digestion or composting process that conforms with the provisions of the Animal By-Products Regulations for treating Category 3 material;
- (iv) Maturing, screening, grading and storage of the Contract Waste to produce output fractions that fulfil the definition of Recycling as provided in Article 3(17) of the EU Waste Framework Directive (2008/98/EC) as amended and transposed into UK law;
- (v) Securing appropriate markets and outlets for each product, process output, by-product and residue, and transporting or distributing outputs to off-takers;
- (vi) Management of operations in line with a quality management standard that enables the Council to be compliant with the definition of the Best Value National Indicator NI 192, whilst meeting the needs of the Council's Wastedataflow return.

1.1.2 The Contractor is expected to develop and implement a suite of services delivery plans in line with this specification to form standard operating procedures for the Services in line with the requirements of the Council. The Contractor shall also develop abnormal operating procedures or contingency arrangements which shall be agreed with the Council and executed only as set out in this specification.

1.1.3 The Contractor shall is expected to prepare all facilities for use in the Service in line with the timetable indicated within the procurement documentation.

## 1.2 Contract Waste Delivery

1.2.1 A site traffic plan shall be developed by the Contractor for agreement and approval by the Council prior to the commencement of the Services. The contents of this plan shall form part of the standard operating procedure for the Facility and shall set out the arrangements for all vehicles that visit the site. Once agreed with the Council. The Contractor shall be responsible for

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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ensuring that the provisions of the site traffic plan are fully implemented throughout the duration of the services.

- 1.2.2 The Contractor shall make the Facility available to receive Contract Waste:
- (i) Between the hours of 07.30 and 18.00 Monday to Friday including Statutory Holidays;
  - (ii) Between the hours of 07.30 and 12.00 on Saturdays and Sundays including Statutory Holidays; and
  - (iii) At any additional times, including Statutory Holidays, if agreed with or so directed by the Authorised Officer. Availability to receive waste at additional times shall be offered in line with the operating hours attached to applicable permissions and consents with agreement being made at least 7 days ahead of the additional time requested by the Council.
- 1.2.3 The Contractor shall ensure the Facility is able to accommodate the full range of vehicles used by the Council or its Contractors on waste collection operations, up to and including 26 tonne GVW and 32 tonne GVW refuse collection vehicles and 32 tonne GVW Hooklift vehicles and any similar like vehicles. The Contractor shall ensure that the Facility provided has sufficient vehicle holding, circulation, turning and weighbridge capacity for these vehicles that may be utilised for making Contract Waste Deliveries.
- 1.2.4 Upon the commencement of the Contract, the Authorised Officer will provide the Contractor with a list of Authorised Vehicles which will be used by the Council or its Contractors to make deliveries of Contract Waste. The Contractor shall maintain a list of Authorised Vehicles (including registration number, make and model) and shall only accept deliveries of Contract Waste made by Authorised Vehicles. The Authorised Officer shall, from time to time communicate any changes to the Authorised Vehicles list in line with vehicle replacement and/or leasing arrangements.
- 1.2.5 The Contractor shall implement an ordered and systematic approach to material deliveries in order to minimise waiting time by any vehicle making delivery of Contract Waste. The Contractor shall give priority to vehicles delivering Contract Waste over any Third Party deliveries and shall use all reasonable endeavours to ensure that Contract delivered in Authorised Vehicles is deposited without undue delay and that Authorised Vehicles are able to leave without undue delay. In any event, the Turnaround Time for Authorised Vehicles shall be a maximum of twenty minutes for deliveries to the Facility, with the duration being calculated between visits to the entry and exit weighbridges.
- 1.2.6 The Contractor shall develop and implement procedures for managing vehicles containing Contract Waste that is Not Accepted by the Contractor in line with the Waste Acceptance Criteria, so that such vehicles do not cause undue delay to any other delivery vehicle visiting the Facility.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- 1.2.7 The Contractor shall ensure that access to the Facility is maintained in a safe condition and operate them in a manner which is to the satisfaction of the Authorised Officer. As a minimum standard this shall include:
- (i) Metalled access roads, site circulation roads and tipping areas free of surface damage;
  - (ii) Where required, no parking areas marked with double yellow lines and no stopping areas marked with yellow cross hatching;
  - (iii) Segregated routes for pedestrians and visitor traffic such as cars and motorcycles used by staff and administrative visitors;
  - (iv) Site signage that clearly identifies any transport related hazards and informs site traffic of speed limits and circulation routes/restrictions;
  - (v) Consolidated and clearly signed tipping areas for Contract waste; and,
  - (vi) Site map at the entrance and facility details including contact details etc.
- 1.2.8 The Contractor shall brief drivers arriving at site on the provisions of the Site Traffic Plan to avoid causing disruption to activities; threat or injury to themselves or other persons; or damage to any vehicle, plant, equipment, building or any other item at the Facility. The briefing at minimum should include appropriate directions, warnings and supervision to ensure that they exercise all due care and attention whilst at the Facility.
- 1.2.9 The Contractor shall ensure the Facility has equipment such as, but not limited to, a jet wash for occasional vehicle cleansing should this be required by any Vehicle making a delivery of Contract Waste. The duration of use of any vehicle washing facility by an Authorised Vehicle shall be excluded from the specified twenty minute turnaround time.
- 1.2.10 The Facility provided by the Contractor shall include toilets and other appropriate welfare facilities, which shall be available for use by Council employees, Contractors, or other persons employed on its behalf to deliver Contract Waste to the Facility.
- 1.2.11 In the event of breakdown of any Authorised Vehicle, the Facility will provide a dedicated area to facilitate safe recovery/maintenance of such Authorised Vehicle without impacting on the ability to achieve the vehicle turnaround times for other Authorised Vehicles.
- 1.2.12 The Contractor shall provide a weighbridge(s) at the Facility capable of weighing all Authorised Vehicles to calculate and record all deliveries of Contract Waste. The Contractor will be responsible for calibrating the weighbridge to weigh in increments of not greater than 20 kg. The Contractor shall ensure the weighbridge provided complies with all relevant statutory requirements, and is approved for use by the Trading Standards Officer for the area in which it is sited. In operating the Weighbridge installations, the Contractor shall have regard to the obligations of the Duty of Care Code of Practice March 1996 issued under Section 34 of the EPA 1990 (as amended).

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

### 1.3 Waste Acceptance & Pre-Treatment

- 1.3.1 The Contractor shall, in advance of the contract commencing, prepare a Waste Acceptance Plan in line with the Council's requirements which shall be reviewed and agreed by the Council. The plan shall define Waste Acceptance Criteria and will form the basis for inspecting and assessing individual loads of Contract Waste Received at the Facility.
- 1.3.2 The Council requires the Contractor to give priority to Contract Waste delivered by the Council and or its Contractors over any third party material received at the Facility.
- 1.3.3 Contract Waste delivered by the Council and or its Contractors shall be tipped and temporarily stored in a segregated reception area within the Facility to enable an assessment against the Waste Acceptance Criteria to be undertaken. The Contractor shall not mix Contract Waste with any Third Party Material until it is deemed that received Contract Waste conforms to the Waste Acceptance Criteria.
- 1.3.4 The Contractor shall be responsible for inspecting and assessing individual loads of Contract Waste delivered to the Facility by the Council and/or its Contractors against the agreed Waste Acceptance Criteria. Upon identifying any Excluded Waste or Contract Waste that does not conform to the Waste Acceptance Criteria, then the Contractor shall quarantine the applicable Contract waste and immediately notify the Council's Authorised Officer. A joint inspection of the material may be undertaken by the Contractor and the Authorised Officer who shall agree one of the following courses of action for loads that the Contractor considers fail the Waste Acceptance Criteria:
  - (i) That the load meets the standard required for the Facility;
  - (ii) That the Contractor shall be reimbursed by an agreed amount to reflect the cost of removing any contaminants from the said load whereupon the load shall be processed in accordance with the Contract. The Contractor shall ensure that any Residual Waste sorted from the Green Waste, shall be retained for further sorting or delivered to a suitably licensed Facility for further Treatment or Final Disposal as directed by the Council. The Contractor shall be paid for such disposal as detailed in the Pricing Schedule; or
  - (iii) That the load be rejected and treated as Residual Waste and dealt with accordingly
- 1.3.5 The Facility provided by the Contractor shall include an enclosed reception area to minimise odour and wind blown litter. The Contractor shall include features such as air extraction and rapid roll doors to the enclosed reception area where the design of the area requires.
- 1.3.6 Storage of Contract Waste within the Facility shall be undertaken in line with all applicable permit and planning consent requirements and conditions.
- 1.3.7 The Contractor shall undertake any necessary pre-treatment operations to remove non-biodegradable material, not limited to contamination removal,

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

particle size reduction and moisture content management, as required for treatment in the waste treatment process provided by the Contractor.

- 1.3.8 The Contractor will work to ensure that any non-biodegradable Residual Waste (by-products, residues or screenings) from waste reception and pre-treatment activities are collected and managed in a way that enables their management to be at the highest possible level of the waste management hierarchy.
- 1.3.9 The Contractor shall note that all Residual Waste produced in the course of providing these Services shall be the property of the Contractor who shall be deemed to have included for the value of disposing of said Materials in his tendered rates.
- 1.3.10 The Council expects the Contractor to secure off takes for Residual Waste generated by the waste reception and pre-treatment process. The Contractor shall ensure that the off-takes utilised for these fractions are appropriately permitted and that the type of off-take maximises the position within the waste management hierarchy.
- 1.3.11 Any Residual Waste may, at the Council's complete discretion, be reclaimed by the Council, in which circumstance the Council shall be reimbursed for the total cost of Residual Waste removed from the Facility in accordance with the Contractor's existing agreed rate for Treatment or Disposal of Residual Waste.

## 1.4 Capacity and Mass Balance

- 1.4.1 The Contractor shall provide an Organic Waste treatment Facility with capacity for treating the full quantity of Contract Waste delivered by the Council over Contract Period allowing for any increase or decrease in tonnage that may arise from factors such as population growth within the Administrative Area. The Council deem capacity to include all decoupled elements, process steps, intermediate storage and/or redundancy of the waste treatment process including any sanitisation or maturation process phases that may follow anaerobic digestion or in-vessel composting treatment.
- 1.4.2 The Facility provided by the Contractor shall be deemed by the Council to be capable of accommodating any seasonal variations in the Contract Waste which may include variation in quantity and composition.
- 1.4.3 Any additional capacity installed beyond the Council's requirements for treating of Contract Waste is deemed by the Council to be a risk borne by the Contractor. The Contractor will take sole responsibility for sourcing any Third Party Wastes required to support any capacity headroom. The contractor shall engage with the Council and agree the level capacity for treating third party wastes in any circumstance where the ownership of the Facility resides with the Council upon expiry of the contract period.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- 1.4.4 In a Facility where Third Party Waste is accepted, the Contractor shall ensure the Contract Waste delivered by the Council or its Contractors has priority on the installed capacity.
- 1.4.5 The Contractor shall be responsible for procuring any additional materials that may be required to be incorporated within the feedstock blend alongside the Contract Waste. This includes but is not limited to materials that may help control Carbon:Nitrogen ratio, materials that control dry matter content, and dosing materials required to enhance digestion. The Council deem that the cost of any co-substrates is included in the Bidders tendered price.
- 1.4.6 The Council envisages that the Facility provided by The Contractor shall produce outputs such as but not limited to compost, digestate (whole or separated) biogas electricity, heat and Residual Waste. The Council requires the Contractor to ensure that the design and operation of the Facility evidences a clear and full mass balance between the Contract Waste delivered to site and the outputs generated by the Contractor's treatment process, with apportionment used to account for the split between contract wastes and any Third Party Wastes processed within the Facility.

## 1.5 Treatment Process

- 1.5.1 The Contractor shall provide an anaerobic digestion (low or high solids) or in-vessel composting Facility that is capable of processing the Contract Waste into output fractions that fulfil the definition of Recycling as provided in Article 3(17) of the EU Waste Framework Directive (2008/98/EC) as amended and transposed into UK law.
- 1.5.2 The Contractor shall ensure that the treatment technology provided at the Facility meets the requirements of the Animal By-Products Regulations 2013 for the treatment of Category 3 material. The Contractor shall ensure that the design of the Facility aligns with the approval criteria as described in the Regulations and includes appropriate process phases and management routes necessary to gain approval from the Animal and Plant Health Agency.
- 1.5.3 The Council shall require the Contractor to ensure that the design of the treatment process within the Facility aligns to relevant and applicable end of waste industry standards such as the PAS100 specification for quality compost, and the PAS110 specification for quality digestate.
- 1.5.4 The Council recognise that aspects of the treatment process, such as compost or digestate conditioning can potentially be undertaken a location separate to the Facility. Where this is the Case, the Contractor shall be responsible for providing those sites and for undertaking any intermediary transport.
- 1.5.5 The Contractor shall design and operate the Facility in accordance with relevant and applicable industry guidance such as Best Available Technique Reference Standards (BREF) or other applicable standards.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- 1.5.6 The Council notes that non-biodegradable contamination of the Contract Waste stands at around 3% by weight. The Council requires the Facility provided by the Contractor to be capable of processing this level, and up to a maximum level of 5%, contamination without prejudice to the production of recycled fractions from the Facility.
- 1.5.7 The Council requires the Contractor to warrant that the Facility provided for treatment of Contract Waste has a minimum design life equal to or greater the Contract Period. In circumstances where the Facility will revert to Council ownership on completion of the Contract Period, the minimum design life for the Facility will be 20 years.
- 1.5.8 The Council has minimum requirements (please refer to descriptive document) with regards to the recycling of Contract Waste into energy, digestate and/or compost products. The Contractor shall be required to provide a process guarantee pertaining to this minimum level of recycling output.
- 1.5.9 The Council anticipate that outputs from the Facility may include energy in the form of electricity and/or heat, and digestate and/or compost products. To attain the highest level of benefit from these Outputs, the Contractor should seek to design the Facility in a way that enables high value outlets to be accessed. Such design could include, although is not limited to connection of the Facility into the gas transmission network, or the recently procured Crewe District Heating Joint Venture Partnership, Cheshire Energy Networks Ltd, (a joint venture between CEC and ENGIE) for the off-take of energy products.

## 1.6 Process Outputs and Products

- 1.6.1 The Contractor shall develop a process outputs and products plan that shall detail arrangements for managing and removing all output fractions produced from the processing of Contract Waste.
- 1.6.2 For the avoidance of doubt, the Council deem the ownership of Contract Waste and all output fractions generated from the processing of Contract Waste to be the property of the Contractor.
- 1.6.3 The Council require the Contractor to identify markets and off-takes for all process outputs produced at the Facility. The Contractor shall engage in all commercial negotiations and contractual arrangements required to market and secure the sale or off-take of outputs from the Facility.
- 1.6.4 The Contractor shall be required to transport, or arrange the transport of all process outputs from the Facility to off-take locations.
- 1.6.5 The Contractor shall ensure that, with the exception of Residual Waste, reagents, and liquid effluents, all outlets for process outputs support the definition of recycling as defined in the EU Waste Framework Directive (2008/98/EC) as amended and transposed into UK law.



Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- 1.6.6 Prior to distributing any process outputs to an off-taker, the Contractor shall supply the Authorised Officer with details in writing of the offtake. Details included in such communication will include the name, address and business activity of the off take, along with the type of output supplier, the estimated quantity to be supplied and any applicable regulatory permissions that may be required by the off taker to accept the material.
- 1.6.7 The Council requires the Contractor to implement an approach which maximises the latent value of outputs where practicable and where clear market demand exists. The Council therefore expects the Contractor to grade compost or digestate outputs from the process into fractions appropriate to different segments of the horticultural and/or agricultural sector.
- 1.6.8 In any facility where electricity is produced as a process output at the Facility, the Contractor shall be required to:
- (i) Secure all grid connections where these may be required for the export of electricity from the Facility;
  - (ii) To provide any infrastructure and undertake any works requested by the grid Distribution Network Operator (DNO) as part of the contestable portion of a grid connection offer;
  - (iii) To arrange and undertake any connection witness tests such as those required in the G59 or G83 connection procedure;.
  - (iv) Agreeing and entering into power purchase agreements for the export of power including any renewals of such agreements that may be required throughout the entirety of the Contract Period;
  - (v) Install all equipment, plant and infrastructure to support a private wire connection where this off take is used in preference to a distribution network connection;
  - (vi) Install any infrastructure that may be required to discharge any connection conditions imposed by a grid operator or off-taker. For the avoidance of doubt, this could extend to include plant any equipment that provides dispatchable energy or flexibility in supply times.
  - (vii) Apply for and secure fiscal incentives available for the generation of low carbon electricity. This may include, but is not limited payment under the Feed-In Tariff (FIT), Renewable Obligation Certificate (ROC), or Contract for Difference (CfD) initiatives; and
  - (viii) Meter, record and report generation data to Ofgem as a requirement of participating in renewable incentive initiatives.
- 1.6.9 In any facility where heat in the form of hot water and/or steam is produced as a process output at the Facility, The Contractor shall be required to;
- (i) Agree the off take of heat with commercial partners located within a feasible distance of the Facility location;

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- (ii) Develop a connection and supporting infrastructure appropriate to the grade and quantity of heat being produced and exported from the Facility;
- (iii) Negotiate commercial agreements for the sale of heat with off takers;
- (iv) Apply for and secure available fiscal incentives available for the generation of low carbon heat sources such as the Renewable Heat Incentive (RHI); and
- (v) Meter, record and report generation data to OFGEM as a requirement of participating in renewable incentive initiatives.

1.6.10 In any facility where biomethane is produced as a process output at the Facility, the Contractor shall be required to:

- (i) Secure all grid connections where these may be required for the export of biomethane from the Facility;
- (ii) To provide any infrastructure (i.e. grid entry unit) and undertake any works requested by the applicable gas grid operator;
- (iii) Operate the plant in line with the standards required by the Network Entry Agreement, including installation of all necessary plant and equipment required to meet this standard;
- (iv) Provide contingency arrangements for gas offtake from the Facility noting that the gas grid operator has control over the remotely controlled slam-shut grid entry valve which can be actuated without prior permission from the Facility operator;
- (v) Apply for and secure available fiscal incentives available for the generation of biomethane such as the Renewable Heat Incentive (RHI); and
- (vi) Meter, record and report generation data to OFGEM as a requirement of participating in renewable incentive initiatives.

1.6.11 The recycling of biodegradable Contract Waste is a Key Requirement for the Council and the Contractor is therefore required to attain a recognised end of waste standard for organic fractions which may include:

- (i) PAS100 Quality Protocol compost;
- (ii) PAS110 Quality Protocol digestate, in whole liquor or fibre formats; or
- (iii) A bespoke end of waste certification specific to the Contractor's treatment process, end products and application markets.

1.6.12 The Contractor shall be required to install all management system, to make the necessary applications, and to implement the required surveillance, monitoring and testing, and record regimes associated with the end of waste certification standards listed in paragraph 1.6.11.

1.6.13 In the event of any process failures that the Contractor cannot rectify, against the end of waste certification standards listed in paragraph 1.6.11, the Contractor shall:

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- (i) Notify the Authorised Officer within 24 hours of a process failure against an end of waste standard;
- (ii) Be required to manage any organic outputs as Compost Like Output (CLO), or off-specification compost;
- (iii) Comply with all regulatory requirements for the storage, handling, transport and application of said material to land; and
- (iv) keep records of the production and export of said material, including but not limited to dates of production, batch records, reasons for failure, photographic evidence of samples, disposal routes and evidence of regulatory compliance such as applicable waste deployments.

1.6.14 The Contractor shall make arrangements for the disposal of any non-biodegradable Residual Waste (by-products, residues or screenings) and reagents or percolates produced in the treatment of Contract Waste. In doing so the contractor shall:

- (i) ensure that any facilities used for the onward processing of Residual Waste are appropriately permitted to accept the waste delivered by the Contractor; and
- (ii) manage Residual Waste fractions in a way that enables their categorisation to be at the highest possible level of the waste management hierarchy.

## 1.7 Regulatory Compliance

1.7.1 The Contractor will be required to prepare a regulatory compliance plan that sets out how the Facility and performance of services will be managed in line with all regulatory requirements. The contents of this plan should refer to applicable legislation, permission conditions and the contents of this technical specification.

1.7.2 The Contractor shall be required to obtain, maintain and operate the Services in accordance with all Consents and relevant Legislation, associated with any Facility, equipment, undertakings or operations and for the discharge of any associated conditions placed on these Consents or permissions. The Contractor shall ensure that the Consents enable the Services to be delivered in accordance with the Council's Requirements. Such Consents and permissions may include, but are not limited to:

- Regulatory exemption registration, Environmental Permit, Waste Management Licence or Industrial Emissions Directive (IED) Installation Permit as issued by the Environment Agency;
- Town and Country Planning Permission, in respect of land use and development control, from the relevant local planning authority in which Facilities are located; and

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- Animal and Plant Health Agency approval, including development of Hazard and Critical Control Point (HACCP) management system, in line with the Animal By-Products Regulations for category 3 material.

- 1.7.3 Throughout the Contract Period, the Contractor shall be required to apply for any variations in permissions or where required to support any aspect of Facility or Services operation.
- 1.7.4 Where transport of Contract Waste is required as part of the Contractor's Services, the Contractor shall be required to secure and maintain registration as a higher tier waste carrier.
- 1.7.5 The Contractor shall be required to attain certification against an appropriate end of waste standard that releases organic products produced at the Facility from regulatory control within the waste framework. Such standards will include PAS100 compost, PAS110 digestate, or a bespoke end of waste certificate that applies to the treatment process operated by the Contractor. The Council requires the Contractor to have the end of waste certification in place no later than 12 months from the Facility being fully operational commencing.
- 1.7.6 The Contractor shall be required to secure waste deployments for the management and removal of any biodegradable materials that do not meet applicable end of waste standards.
- 1.7.7 Where the Contractor's Facility or Services produces percolate, leachate or any other liquid by-product, the Contractor shall be required to obtain and maintain an appropriate Trade Effluent Discharge Consent to foul sewer unless said percolate, leachate or any other liquid product is removed from the Facility for off-site treatment. In managing any percolate, leachate or any other liquid by-product, the Contractor shall have particular regard for Part 7 of the Water Resources Act 1991 with regards to pollution of Controlled Waters.
- 1.7.8 The Contractor is required to comply with the requirements of the Part 3 of the Environmental Protection Act 1990 with regards to Statutory Nuisance.
- 1.7.9 Evidence of all permissions, consents and registrations shall be provided to the Council's Authorised Officer before the commencement date of the Contract and immediately upon the renewal of such certification thereafter.
- 1.7.10 The Council requires that the Contractor make available upon request of the Authorised Officer, copies of all compliance assessment documentation pertaining to all permissions and consents held in support of the Contractor's Facility and Services. The Contractor shall be required to provide the Council with copies of such documentation, either in hard copy or electronically by email, within 24 hours of a request being made by the Authorised Officer.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- 1.7.11 In the event of any breach of a Permission, Consent or Registration condition, the Contractor shall notify the Authorised Officer by email within 24 hours of the breach arising. The notification provided by The Contract shall detail the nature of the breach, the severity of the breach including any pending regulator enforcement action, and details of mitigation or corrective actions proposed by the Contractor.
- 1.7.12 In the event that an improvement, enforcement or corrective notice is served on the Contractor, the Council will require full and proactive cooperation between the Contractor and applicable regulators. During such times, the Council will also require weekly updates from the Contractor to the Authorised Officer on the status of any notices and the actions being implemented by the Contractor to address such notices.

## **1.8 Facility Site and Management**

- 1.8.1 Where the site offered by the Council is not utilised, and where the Contractor proposed to build a new Facility for the purposes of processing Contract Waste, The Contractor will be required to provide a site(s) for the development. The Council deems all acquisition, preparation and development costs associated with the Contractor chosen site to be borne by the Contractor and to be incorporated within the tendered price.
- 1.8.2 Where the site offered by the Council is not utilised, and where the Contractor proposes to build a new Facility for the purposes of processing Contract Waste, The Contractor will undertake all necessary investigations and due diligence to ensure that any site selected for providing a Facility is capable of accommodating the required infrastructure, operations and supporting activities.
- 1.8.3 The Contractor shall, in advance of the contract commencing, prepare a Site Management Plan in line with the Council's requirements which shall be reviewed and agreed by the Council. This plan shall set out arrangements for managing the site during standard operating conditions, maintaining plant, equipment and assets within the Facility, and will set out the management responsibilities for the Contractor's staff employed at the Facility.
- 1.8.4 The Contractor shall be required to maintain a list of all assets included within the Facility used to process Contract Waste. This asset register will identify the make, model and serial numbers of assets including whether they are owned or leased by the Contractor.
- 1.8.5 The Contractor is required to maintain the Facility, including all plant, equipment and assets therein, in line with manufacturer's recommendations. Where such recommendations are absent, the Contractor shall defer to industry good practice to guide the approach taken to facility maintenance.
- 1.8.6 The Contractor shall be responsible for undertaking any equipment calibration as recommended by manufacturer guidance or required by legislative requirements.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- 1.8.7 The Council expects maintenance arrangements to be detailed in the site management plan. The detailing of maintenance arrangements shall be supported by a maintenance schedule and by maintenance records that evidence execution of recommended maintenance schedules.
- 1.8.8 The Contractor shall be responsible for the procurement of all spare parts, replacements, equipment and materials that may be required in the execution of maintenance arrangements.
- 1.8.9 In circumstances where the Facility will revert to Council ownership, any event where the Contractor is required to undertake any repair or maintenance other than in accordance with the maintenance plan, the Contractor shall keep a full record of any such maintenance and shall notify the Council in writing within two (2) Business Days of the finalisation of such repair/maintenance.
- 1.8.10 The Contractor shall ensure that all maintenance work is undertaken only by staff or contractors who hold the necessary competencies and where required, appropriate qualifications to perform maintenance tasks.
- 1.8.11 The Council require that the Facility is maintained to a good degree of cleanliness, notwithstanding the nature of waste treatment operations performed within the Facility. The Contractor will be required to regularly check and remove any accumulation of windblown litter around the site and to clear mud, dust or compost product that may accumulate around the site.
- 1.8.12 The Contractor is responsible for cleaning up any spillage of waste, litter, off-take products or goods that occurs whilst the Contractor (or a Contractor Related Party) is transporting the waste, litter, off-take products or goods to or from the Facility.
- 1.8.13 The Contractor shall be required to identify and implement appropriate security arrangements for the Facility. Such arrangements should prevent unauthorised access to the site, and should be supported by operational procedures pertaining to security for visitors who are permitted to enter the Facility.
- 1.8.14 Where the contractor installs Closed Circuit Television (CCTV) within the Facility, the Contractor must provide the Council access to view and facilities to take copies from CCTV footage in accordance with Legislation, Guidance and Good Industry Practice.
- 1.8.15 The Contractor is required to take responsibility for all utilities at the site including supply of all energy (power, gaseous, solid or liquid fuels) and water as required to operate the Facility.
- 1.8.16 The Council requires the Contractor to be a good corporate neighbour in developing and operating the Facility. Where sensitive receptors are identified in proximity to the Facility, the Contractor shall develop an approach to community liaison that identifies potential impacts and work in partnership with said sensitive receptors to minimise impact where practicably possible.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

## 1.9 Construction & Commissioning

- 1.9.1 The requirements set out within section 1.9 apply only to circumstances where the Contractor proposes to construct a new Facility for the purposes of treating Contract Waste.
- 1.9.2 Where the Contractor proposes to build a new facility for the purposes of treating Contract Waste, the Contractor shall prepare a construction and commissioning plan that sets out how they will adopt and implement a civil and building works specification in line with a recognised industry standard, for the design, construction, commissioning and testing of the Facility. The plan shall detail how construction and commissioning works will be managed to ensure the Facility's readiness to receive Contract Waste from the Commencement Date.
- 1.9.3 In circumstances where the Contractor proposes to construct a new Facility for the purposes of treating Contract Waste, the Council will require that:
- (i) The Contractor will undertake all necessary surveys, investigations and enquires prior to commencing any design work at the Site;
  - (ii) The Contractor shall carry out all demolition of existing structures (whether above or below ground), and make safe any redundant infrastructure on the Site. Such work will be undertaken in accordance with BS6187:2000;
  - (iii) The Contractor shall remediate or remove any contaminated waste, material or land from the site;
  - (iv) The Contractor shall carry out any protection and diversion works associated with any existing infrastructures located on the Site required for the construction of the Works and ensure continuity of utility supplies. This shall include but is not limited to gas, electricity, water, sewerage and communications services; and
  - (v) The Contractor shall be responsible for identifying and undertaking all enabling works necessary to ensure the Site is prepared for the development of the Facility.
- 1.9.4 In circumstances where the Contractor proposes to construct a new Facility for the purposes of treating Contract Waste, the Contractor shall ensure that the Works comply with relevant Legislation, statutory requirements and Consents, and Good Industry Practice, including but not limited to:
- (i) British and International Standards and Codes of Practice;
  - (ii) Health & Safety at Work Executive guidance notes, including but not limited to the Construction (Design Management) Regulations (2007);
  - (iii) The requirements of utilities, district or regional grid operator companies;
  - (iv) Building Research Establishment Digest Recommendations;

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- (v) Fire safety requirements in agreement with the relevant Fire Authority;
- (vi) Relevant Environment Agency guidance notes, Consents and authorisations; and
- (vii) The Council's Policies.

- 1.9.5 Where practicable, the Contractor shall seek to utilise methods and materials in the design, construction and operation of the Facility which are sustainable and promote issues including but not limited to energy efficiency and recycled content.
- 1.9.6 The Contractor shall include, within its design, a strategy for removal, replacement and upgrading of installed plant, equipment, fixtures and fittings during the life of the Facility. This strategy shall, wherever possible, consider how these maintenance works can be undertaken whilst minimising disruption to the provision of the Services.
- 1.9.7 The Contractor shall ensure that (where required) all retaining walls and/or support to excavated faces are provided which are sufficient to support any Adjoining Property during the carrying out of the Works.
- 1.9.8 The Contractor shall ensure that the Site (and any Works carried out outside the Site) is safe and secure throughout the Works Period and up to the Service.
- 1.9.9 Upon completion of the Construction works, and in circumstances where Facility will transfer to Council from the Contractor upon Contract Expiry, the Contractor shall provide the Council with a full set of as built drawings.
- 1.9.10 The Contractor shall be responsible for all aspects of commissioning the Facility which shall include, although is not limited to:
- (i) Checking that all works have been completed to the standards set out in the Contractor's construction and commissioning plan;
  - (ii) Checking that all items of plant and equipment located within the Facility interface as intended in the Contractor's construction and commissioning plan;
  - (iii) Undertaking all tests, trials and investigations to prepare the Facility for readiness to accept Contract Waste; and
  - (iv) Sourcing and delivering to site, in line with all necessary permitting requirements, an appropriate substrate to seed the digester vessel, where this technology is developed by the Contractor.
- 1.9.11 The Contractor shall be required to work with the Council to obtain independent certification on the construction and commissioning of the Facility. The Council requires that the Contractor evidences the completion of construction and commissioning works through a Readiness Inspection Audit completed by a mutually agreed and appropriately qualified engineer. Following satisfactory performance at the Readiness Inspection Audit, the



Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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Council will issue a Readiness Test certificate which will enable the delivery of initial Contract waste to be made. Upon satisfactory performance of processing Contract Waste, the Contractor will then evidence that the Facility is fully operational through an Acceptance Inspection Audit completed by a mutually agreed and appropriately qualified engineer. Upon issuing of an Acceptance Test Certificate, the Council will deem the Facility to be fully operational in line with the requirements of the Contract.

- 1.9.12 Throughout the construction and commissioning period, the Contractor shall provide the Authorised Officer with fortnightly progress reports on progress against the work plan, timescales and milestones detailed in the construction and commissioning plan. The Contractor shall, within these progress reports, provide the Council with details of any projects risks, including but not limited to, risks pertaining to the targeted date of completion of the Facility.

## **1.10 Health and Safety**

- 1.10.1 The Contractor shall develop, adopt and implement a Health and Safety Management Plan pertaining to the operation of the Facility. This plan shall detail how the Contractor shall identify and comply with all health and safety legislative requirements. The plan shall also set out health and safety good practice that shall be adopted by the Contractor along with the specific requirements of the Council as detailed in this specification.
- 1.10.2 Achieve ISO18001 certification within 1 year of the Commencement Date.
- 1.10.3 In carrying out the Services, the Contractor shall comply with the requirements of the Health & Safety at Work etc. Act 1974, Management of Health & Safety at Work Regulations 1992 (as amended) and all relevant Regulations and Approved Codes of Practice, including WISH Guidance issued by the Health & Safety Executive.
- 1.10.4 The Contractor shall ensure that all staff positions within the Facility are supported by a specific job description that identifies health and safety risks and identifies training and competencies requires in order for the job function to be executed safely and with minimal risk to the operative. The Contractor shall implement staff training based on these defined roles and responsibilities.
- 1.10.5 The Contractor shall ensure that only those with appropriate competency and qualifications perform duties within the Facility and in connection with the service. The contractor shall ensure that their management structure for the Facility and Services complies with the Provision and Use of Work Equipment Regulations (PUWER).
- 1.10.6 The Contractor shall maintain an up to date Health & Safety Policy, including Site Specific Risk Assessments and Method Statements including, although not limited to:
- (i) Site traffic management;

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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- (ii) Fire prevention and management;
- (iii) Manual handling;
- (iv) Working at height;
- (v) Working in confined spaces; and
- (vi) Lone working

- 1.10.7 The Contractor shall permit health and safety documents and records to be examined and copied by the Authorised Officer and such other parties who may have reasonable grounds to do so.
- 1.10.8 The Contractor shall fully comply with the requirements of the Control of Substance Hazardous to Health (COSHH) Regulations (2002) as amended. The Contractor shall assess all COSHH risks completing assessments that detail management and handling procedures for COSHH substances, and appropriate controls. The Contractor shall maintain a COSHH register in support of the management regime.
- 1.10.9 The Contractor shall be responsible for providing all personnel and visitors with appropriate and adequate health and safety information and training (including site induction training) and ensuring that they comply with the Contractor's site rules which shall be prominently and conspicuously displayed at the Facility entrance or reception.
- 1.10.10 As part of the security arrangements for the Facility, the Contractor shall make arrangements to ensure that unauthorised access, which could lead to health and safety risks arising, is prevented.
- 1.10.11 As part of site admission arrangements, the Contractor shall implement controls for sub-contractors which should at minimum include permits to work at the Facility. Where sub-contractor works require, the Contract shall implement any necessary lock-off & Isolation procedures necessary to protect Sub-Contractors working at the Facility.
- 1.10.12 The Contractor shall provide all Personal Protective Equipment (PPE), which the Contractor has identified as being relevant to the risks presented by visiting the Facility, and shall enforce the use of PPE by all staff and visitors to the Facility.
- 1.10.13 The Contractor shall be responsible for ensuring that a suitable First Aid Provision (First Aiders and First Aid Equipment) is provided on any premise owned or operated by the Contractor and that appropriate First Aid Training is provided to staff working at the Facility.
- 1.10.14 The Contractor shall maintain a full record of all incidents (near misses, accidents/work related ill health security, which occur during the Contract Period, and full records of all responses and improvement actions carried out in response to incidents.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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1.10.15 The Contractor shall report all relevant incidents to the Health & Safety Executive within statutory timescales as set out in the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013. Where a reportable incident involves an employee of the Council, the Authorised Officer shall be notified immediately. Following the reporting of any health and safety incident, the Contractor shall co-operate fully with any safety professionals and authorised officers from the Council and Health & Safety Executive in any Post Incident Investigation.

1.10.16 Where biogas, biomethane or any other gas is produced at the Facility from the treatment of Contract waste, the Contractor shall fully comply with the requirements of the Dangerous Substances and Explosive Atmospheres Regulations 2002 (DSEAR) in line with the EU ATEX Directive (2014/34/EU).

1.10.17 In circumstances where the Contractor provides a facility for the treatment of Contract waste, the Contractor shall:

- (i) Use BS8233:1995 as a guidance document in developing the acoustic design to support compliance with the Noise at Work Regulation (2005).
- (ii) Install lighting in accordance with the CIBSE Lighting Guide;
- (iii) Ensure that all floor surfaces are slip resistant (particularly when wet), non absorbent, durable, antistatic, non-marking and easy to clean throughout;
- (iv) Calculate ventilation rates according to CIBSE and BRE guidance; and
- (v) Install a fire detection system that is fully compliant with the performance criteria laid down under latest versions and revisions of CIBSE to a minimum standard of BS 5839-1 or as deemed necessary by risk assessment.

1.10.18 The Council requires the Contractor to fully cooperate with the Council's Health & Safety Advisors where the Council chooses to undertake monitoring exercises at the Facility.

## 1.11 Contingency

1.11.1 The Contractor is required to operate the Facility and Supporting Services irrespective of circumstances that may impact on the Contractors ability to deliver the Services. The Contractor shall have in place at the Contract Commencement, a Contingency Plan that details how each aspect of the Service will operate in the event the Facility or element of the Services being unavailable on a permanent or temporary basis. The Contingency Plan shall include arrangements that shall apply in scenarios including although not limited to:

- (i) Inclement and extreme weather conditions;
- (ii) The sudden or unexpected absence of staff members;

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
---	--------------------	-------------------------------

- (iii) The sudden or unexpected absence of the Plant Manager, Contract Manager, or any other key member of management personnel;
- (iv) The breakdown of plant, equipment or vehicles installed or employed at the Facility;
- (v) Circumstances that require the closure of the Facility;
- (vi) The unavailability of site weighbridges; and
- (vii) IT system failures.

1.11.2 As part of the plan, the Council expects to identify proactive measures that can be implemented by the Contractor to mitigate against the enacting of the Contingency Plan. Such proactive measures should be clearly set out in the Contractors operating procedures for the Facility and supporting Services.

1.11.3 The Contractor is required to identify potential contingency treatment facilities that can be utilised in instances where the Facility is unavailable. In the event of Facility closure, the Contractor shall be responsible for directing waste to alternative treatment sites which are appropriately permitted to receive the Contract Waste. Such contingency facilities should achieve recycling of the Contract waste and the use of landfill to achieve the requirements of the Contingency Plan must only be considered as a last resort.

1.11.4 In some contingency circumstances, the Council may require the Contractor to accept deliveries of Contract Waste outside the hours required by the Council in paragraph 1.2.2 of this specification. The Contractor shall be required to cooperate with the Council during such contingency times on the condition that extended hours requested in said contingency circumstances are supported by permit and consent conditions.

1.11.5 The Contractor shall develop a Disaster Recovery Plan that shall identify the key activities required to reinstate the in the event that a disaster has occurred at the Facility, or within the supporting Services. Disasters may include, although are not limited to:

- (i) Major fire;
- (ii) Explosion;
- (iii) Significant flooding and weather conditions;
- (iv) Serious security incident;
- (v) Major ground condition incident;
- (vi) Terrorism;
- (vii) Major equipment failure and/or serious service failure;
- (viii) Serious loss of data and/or ICT system failure; and
- (ix) Protester action.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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1.11.6 The Contractor shall notify the Council that the Disaster Recovery Plan has been implemented as soon as is reasonably practicable and in any event within 1 hour.

1.11.7 In developing the Contingency Plan and Disaster Recovery Plan, the Contractor shall fully assess health and safety risks and requirements and shall reflect these in abnormal operating condition procedures that may be executed during a prolonged period of Contingency Plan operations.

## **1.12 Quality & Environmental Management**

1.12.1 The Council Requires the Contractor to develop a plan that details the environmental and quality management approach that will be implemented by the Contractor throughout the Contract Period. The plan shall set out environmental and quality management arrangements throughout the Contract Mobilisation Period and operating phases of the Contract Period.

1.12.2 The Contractor shall develop and implement Environmental and Quality Management Systems in advance of the Readiness Date at which point Contract Waste will be delivered to the Facility.

1.12.3 The Contractor's Quality Management System shall be accredited to the ISO9001 standard within six (6) months of the Commissioning Date with associated certification being provided to the Authorised Officer.

1.12.4 As part of the Quality Management System, the Contractor shall operate a complaints procedure that details appropriate responses and timescales to dealing with any received complaints.

1.12.5 The Contractor's Environmental Management System shall be accredited to the ISO14001 standard within six (6) months of the Commissioning Date with associated certification being provided to the Authorised Officer.

1.12.6 The Contractor's Environmental Management Plan shall include the necessary data capture, analysis and reporting functions to enable the Council to collate Carbon reporting data as may be required by any statutory or regulatory organisation.

1.12.7 The Contractor shall be required to maintain the ISO14001 and ISO9001 standards throughout the Contract Period including the requirements therein for external surveillance and reaccreditation.

1.12.8 The Contractor shall make available for inspection by the Authorised Officer or nominated deputy, all policies, information, records and information in support of the Contractor's Environmental and Quality Management Systems.

## **1.13 Information Monitoring and Reporting**

1.13.1 The Contractor shall prepare and implement an Information Monitoring and Reporting Plan in support of the Facility operation. This plan shall detail how the Contractor will establish robust data collection approaches, and how

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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required data will be collated for reporting in an auditable format that clearly identifies the fate of Contract Waste processed by the Contractor.

1.13.2 The Council requires the Contractor to use a computerised data handling system which shall be electronically linked to the weighbridge and shall measure the weights of the Contract Waste and any Third Party Waste delivered to the Facility without the need for manual input. The system shall create a unique and indelible record of each load delivered to the Facility with information including but not limited to:

- (i) Ticket Number;
- (ii) Date, Time of arrival;
- (iii) Driver name and /or reference number;
- (iv) Type of Vehicle, Vehicle registration number and fleet number;
- (v) Tare and Net weights;
- (vi) Description of Contract Waste (including EWC Code);
- (vii) Registered waste carrier number;
- (viii) Address of the Delivery Point; and
- (ix) Container number where applicable.

1.13.3 The data recorded by the weighbridge on each load of Contract Waste or Third Party waste shall be used to generate a transfer note. The Council may, in future, choose to implement the EDOC transfer note system and the Contractor shall be required to adopt this system if instructed by the Council.

1.13.4 The Contractor shall record the weight of all output fractions that are removed from the site. Where process outputs are removed in a format that cannot be weighed, such as electrical, gas and heat outputs, then the Contractor shall record the export from site using the appropriate units displayed on metering equipment.

1.13.5 The Contractor shall draw on tonnage data from waste deliveries and output fraction removal to prepare a monthly report that shall be submitted to the Authorised Officer no later than five working days following the end of the calendar month. As a minimum, the monthly report shall detail:

- (i) The tonnage of Contract Waste processed by the Contractor;
- (ii) Details of rejected loads;
- (iii) Total tonnage of Compost and Soil Improver sent to customers along with destinations;
- (iv) The tonnage of Residual Waste sent for further processing;
- (v) The tonnage of Residual Waste sent to disposal;
- (vi) Number of Authorised Vehicles making deliveries to the Facility;

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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- (vii) Number of outgoing loads and weights;
- (viii) Details of any breaches of Legislation, or Necessary Consents including any action or notice served (or impending action or notice where known) by any regulatory body;
- (ix) Details of any contingency period including a summary of the reasons for enacting the Contingency plan along with the actions taken and/or timetable to be taken to mitigate delays;
- (x) Details of any significant health, safety or welfare related issues and action taken to resolve these. Details of incidents reportable under RIDDOR. Details of actions taken to prevent re-occurrences as a result of reviews of relevant risk assessments; and
- (xi) Any other matter reasonably required by the Authorised Officer in relation to the Service.

1.13.6 The Authorised Officer shall notify the Contractor of acceptance of the monthly report within 48 hours of receiving a report. Where the Authorised Officer has queries that prevent the monthly report from being accepted, the Contractor shall furnish the Authorised Officer with raw data and any other documented evidence that may be required to substantiate the content of the monthly report.

1.13.7 Where required, the Contractor shall make a management representative available to meet with the Authorised Officer to discuss the content of the Monthly Report. Such meetings shall take place within 5 days of the monthly report being submitted to the Council.

1.13.8 The Contractor shall maintain all raw data and information pertaining to the Service for a minimum period of 5 years following the date of the calendar year in which it was collected.

1.13.9 The Contractor shall prepare an Annual Service Report and submit it to the Council within ten (10) Business Days after the Contract Year end. The content of the Annual Service Report shall detail all information required by the Council to verify the performance of the Contractor in respect of the Contract Year just ended.

1.13.10 Data collected from waste deliveries and the removal of output fractions will be provided to the Council in an annual mass balance model within the annual report that demonstrates how all inputs and outputs are accounted for, and stating any process performance and efficiency factors or assumptions.

1.13.11 The storage, management and use of all data collected in connection with the service shall be done so in accordance with the Data Protection Act (1998 as amended).

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 3	Draft technical specification
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## 1.14 Customer Relationship Management

- 1.14.1 The Contractor shall appoint or designate a site manager who shall be accountable for the operation of the Facility. The Council expects this site manager to be a counterpart to the Authorised Officer, maintaining regular communication on the performance of Services as required in subsequent sections of this specification.
- 1.14.2 The Contractor shall work to an agreed schedule of monthly meetings with a defined agenda that shall reflect the content of the monthly report, along with any additional matters relating to the Contract Services.
- 1.14.3 The Contractor's Representative shall, upon request, make themselves available to the Authorised Officer to inspect the Facility, service data and records within 24 hours of any request to do so.
- 1.14.4 The Contractor's Representative shall, upon request, make themselves available to accompany the Authorised Officer on an inspection or tour of the Facility within 24 hours of any request to do so.
- 1.14.5 The Council requires the Contractor to provide prompt responses to any correspondence received in relation to the service. The Council requires the Contractor to adhere to the following response times throughout the Contract Period:
- (i) Replying to all Council correspondence, and individual requests for information from the Council – within three (3) business days unless specified elsewhere in the Contract;
  - (i) Replying to enquiries made by any statutory authority or undertaker – within two (2) Business Days of receipt;
  - (ii) Replying to all other correspondence - within ten (10) Business Days of Receipt;
  - (iii) Responding to complaints - Within 5 Business Days of receipt; and
  - (iv) Freedom of Information requests – within 20 Business days of receipt.
- 1.14.6 The obligation to reply to correspondence and requests for information requires the Contractor to address the substantive issues in question, so far as is reasonably practicable in the circumstances.
- 1.14.7 The Contractor shall ensure that all pro-active and reactive communication with the general public, media and all stakeholders are agreed in advance and in writing with Council's Authorised Officer.
- 1.14.8



Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 4	ITSDS Dialogue Topics
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## **APPENDIX 4 ITSDS DIALOGUE TOPICS**

The agenda and dialogue topics will be agreed at each request for a dialogue meeting. An indicative dialogue meeting agenda is provided below.

### **Proposed Draft Agenda**

- 1. Technical Solutions**
- 2. Financials**
- 3. Legal**
- 4. Evaluation Process**
- 5. A.O.B**

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
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## APPENDIX 5 BACKGROUND INFORMATION – WASTE ARISING AND MANAGEMENT

The Council undertakes waste collections from approximately 165,000 households every week. In 2013/14 the Council collected 179,646 tonnes of municipal waste of which:

- 53% of this waste was recycled, composted or re-used;
- 6% was used to generate electricity; and
- 41% (the remaining) was landfilled.

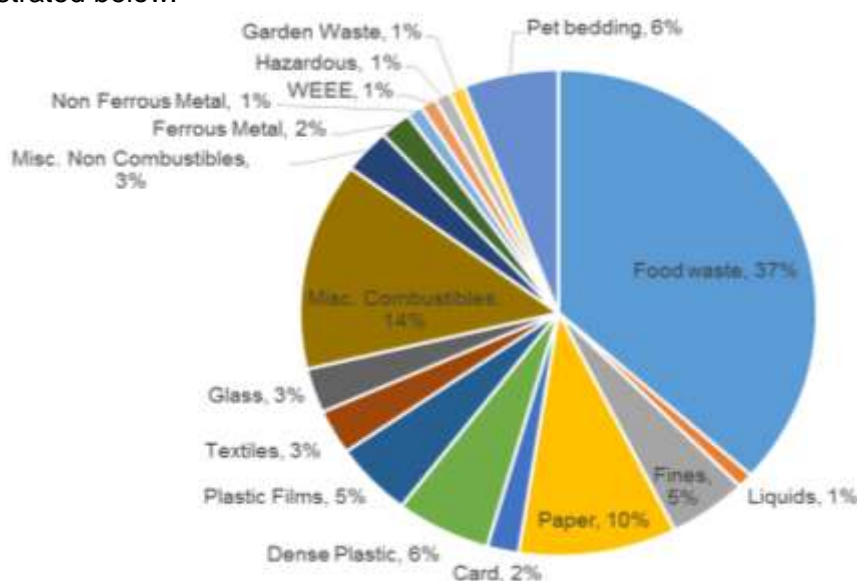
The current recycling rate is approximately 56.8%, ranking 6th place of all 91 unitary authorities and 27th out of all 351 authorities across the UK.

Waste composition studies in 2013 projected that the average Cheshire East household was generating 6.15kg of residual waste per week (a decrease from 8.81kg in 2009). Statistics from service monitoring in 2014 showed that during a typical year the arising collected at the kerbside comprised:

- 70,000 tonnes of residual waste;
- 40,000 tonnes of garden waste; and
- 40,000 tonnes of recyclables.

In addition, just under 8,500 tonnes of residual, over 30,000 tonnes of recyclables and about 6,700 tonnes of garden waste are collected each year from the network of household waste recycling centres (HWRCs).

In 2013, the Council undertook waste compositional analysis to better understand the constituents presented in the residual waste stream by householders. These results of this work are illustrated below.



Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
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The compositional analysis showed that from kerbside collected residual waste, the material with the highest concentration was food (37% of the total weight or 2.3kg per household per week it was noted that the majority of the food waste was raw fruit and vegetable matter followed by cooked and prepared food e.g. plate scrapings and leftovers. The study found variance in the composition of food waste with the highest weight of food being recorded in one of the Crewe sample areas at 4.2 kg/hh/week and the lowest weight was recorded for one of the Congleton sample areas.

Previous work undertaken for the Council has examined the likely capture rate that could be achieved for food waste if its collection were to be offered through co-mingling with the existing green bin garden waste service. This estimated that 0.59kg per week of food waste could be captured which equates to an annual tonnage of around 5,100 tonnes of food waste per annum when this factor is applied to the number of properties receiving the garden waste collection service in Cheshire East

Out of the HWRC residual waste, food waste comprised 8.1% of the tonnage deposited by residents. Black sacks that contained food waste made up 16.2% of the total weight of the residual waste presented at HWRC sites.

### **Waste growth**

As the Council does not currently collect food waste the potential arisings have been calculated. Amec Foster Wheeler, in a report commissioned by CEC applied WRAP 2010 report<sup>1</sup> data which stated that, on average, 0.55 kg of food waste per household per week (kg/hh/wk) can be collected using fortnightly co-mingled collections. The same WRAP report also stated that a capture rate of 21.8% of the available food waste could be obtained using the same collection methodology. When this is applied to CEC data it results in a figure of 0.59kg/hh/wk using the higher of these two collection figures which is in line with previous assumptions used in a report by Ricardo-AEA. There are approximately 160,000 households within Cheshire East, based on this, it would potentially result in 4,909 tpa of collected food waste in 2015/16.

There are approximately 160,000 households within Cheshire East and the Council's draft Local Plan identifies an additional 36,000 properties to be developed over the next 20 years. <http://cheshireeast-consult.limehouse.co.uk/portal/planning/cs/lpspcv> which could result in an additional 1,800 properties a year.

### **Garden Waste Description**

The Council separately collects garden waste on a 2-weekly basis but does not yet separately collect food waste, which is currently collected within the residual waste. The Council proposes to introduce mixed green and food waste collections when it's existing waste processing contracts end.

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<sup>1</sup> Performance analysis of mixed food and garden waste collection systems, (WRAP RPT036), Final Report, February 2010. Report by MEL.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
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Permitted items that can be presented by residents for collection in the green bin garden waste collection include:

- Leaves;
- Lawn mowings/edgings;
- Bark;
- Cut flowers;
- Hedge clippings;
- Plants, twigs & small branches;
- Weeds;
- Plants from hanging baskets and planters; and
- Windfall from fruit trees.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
---	--------------------	------------------------

The Council presently informs residents that the following items are excluded from the green bin garden waste service:

- Food waste;
- Cooking fat, oil, wax or waxed packaging;
- Cooking fat, oil, wax or waxed packaging;
- Soil (not attached to plants & weeds), stone, rubble or large amounts of turf;
- Paper, plastic, glass, metals;
- Disposable nappies;
- Any type of pet waste;
- Ash;
- Vegetable peelings, salad, fruit\*;
- Tea, tea bags, coffee grounds and filters\*;
- Egg shells, stale bread and crusts\*;
- Feathers, pet straw, sawdust and wood shavings.

Through service monitoring, the Council have identified that some 35,000 tonnes of garden waste are collected at the kerbside each year (see tables below).

Kerbside Green Waste

Year	Total
2009-10	35,571
2010-11	34,782
2011-12	36,491
2012-13	35,886
2013-14	33,018
2014-15	37,269
<b>2015-16</b>	<b>35,592</b>

Seasonal Variation in Arising

Quarter	Month	Actual/ Projection	Kerbside Waste Tonnage
1	April	ACTUAL	3,949
	May	ACTUAL	4,045
	June	ACTUAL	5,166
2	July	ACTUAL	4,559
	August	ACTUAL	3,715
	September	ACTUAL	3,886
3	October	ACTUAL	3,348
	November	ACTUAL	2,842
	December	ACTUAL	423
4	January	ACTUAL	0

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
---	--------------------	------------------------

	February	ACTUAL	1,371
	March	PROJECTION	2,288
<b>TOTAL 2015-16 PROJECTION</b>			<b>35,592</b>

The contamination rates for kerbside garden waste are estimated to be 3%.

The Council currently uses merchant facilities for all its green waste that is all treated using open on-farm windrow composting. This contract is due to end 13<sup>th</sup> March 2017 and the Council intends to let an interim treatment contract to run until the start of the Contract Period. There will be no TUPE issues as the existing treatment contract is with a merchant provider.

### **Waste Collection Service**

The Council operates a three bin refuse and recycling service which includes the following:

- Residual household waste is collected fortnightly in Black 240 litre wheeled bins;
- Garden/Green waste is collected fortnightly in green 240L wheeled bins; and
- Dry recyclate is collected fortnightly in silver 240L wheeled bins.

Waste Stream			
Collection frequency	FORTNIGHTLY		
Materials collected			

The residual waste is collected on alternate weeks to the dry recycling and garden waste streams. This system was introduced in 2011 and replaced three different collection methods formerly used across the erstwhile boroughs prior to the formation of Cheshire East Council.

Current collection schedules for green waste show that garden waste is collected fortnightly from 83,001 properties in the North of the borough and 84,480 properties in the South of the borough.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
---	--------------------	------------------------

### **Collections Provider**

Ansa Environmental Services Ltd (“Ansa”) is a company wholly owned and controlled by the Council, created in 2014 to provide its waste management and environmental services. Ansa delivers all waste and recycling services for the Council, along with grounds maintenance, fleet management services and street cleansing functions as well as managing related contracts such as for the bulking, transportation and sorting of mixed recycling, the composting of garden waste and disposal of residual waste.

Ansa operates largely from two main depots with support from a small number of satellite sites. The main sites are located at:

- Commercial Road, Macclesfield, SK101LL (North); and
- Environmental Hub (under construction), Middlewich, CW10 0JN (South).

At present, the Macclesfield depot is used for the parking of refuse collection vehicles. The site at Crewe is also used for bulking up the recyclables collected from the silver bin scheme as well as providing a base for street cleaning and grounds maintenance.

The current fleet comprises of 15 refuse collection vehicles (RCVs) but some of these are hired in as service stops from end of November to mid- February. For green waste, RCVs are used for direct delivery. The Council also use a transfer station at Macclesfield which is operated by Henshaws. At Henshaw’s depot the material is bulked and transported in 25 tonne loads.

Cheshire East Council Organic Waste Treatment Solution	ITPD Appendix 5	Background information
---	--------------------	------------------------

## APPENDIX 6 – DETAILS OF SITE OFFERED BY THE COUNCIL

In order to maximise competition, the Council will allow Lot 1 Bidders to utilise all or part of a Council owned site (“Council Site”) in their bids if they wish to do so. Bidders are free to use other sites (“Alternative Sites”) in their Bids. The Council Site:

- Is in the Council’s ownership;
- Is within the Council’s administrative area;
- Is a greenfield site; and
- **Does not have the benefit of a planning consent or any other relevant permissions or consents.**

The attached plan provides an indicative red line boundary of circa 4 hectares to of the Council Site , which forms part of the Council owned Leighton Grange site.

The enclosed Leighton Grange, Preliminary Risk Assessment, February 2016 refers to the wider site.

The Council does not guarantee or warrant the suitability of the Council Site for the Facility.

