



Greater Manchester Combined Authority

Soft Market Testing Questionnaire

For the supply of:

Biowaste Treatment Services

Descriptive Document

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1 Procurement Context

1.1 Introduction

1.1.1 Greater Manchester is a ceremonial county in Northwest England and has a population of 2.8 million people. Greater Manchester comprises 10 metropolitan boroughs which are as follows:

- Bolton;
- Bury;
- Oldham;
- Rochdale;
- Stockport;
- Tameside;
- Trafford;
- Wigan;
- Salford; and,
- Manchester.

1.1.2 In its capacity as Greater Manchester’s Waste Disposal Authority (“**WDA**”), Greater Manchester Combined Authority (“**the Authority**”) presently manages the recycling, treatment and disposal of municipal wastes collected by the Waste Collection Authorities (“**WCAs**”) across the Greater Manchester area. This is with the exception of Wigan Council, which operates as a unitary authority and administers its own disposal arrangements.

1.1.3 The Authority presently manages some 200,000 tonnes¹ of co-mingled garden and food waste (“**Biowaste**”) arising from the nine WCAs per annum. Approximately 75,000 tonnes of this Biowaste is received and managed by SUEZ Recycling and Recovery UK Ltd annually through the Waste and Resources Management Services Contract (“**WRMS**”). This contract is due to expire in 2029, with a possibility of the contract being extended for a further five years beyond that.

¹ Several WCAs are currently considering the introduction of a chargeable garden waste service. The implication of this is a potential reduction in the mass of biowaste collected.

- 1.1.4 The remaining c.125,000 tonnes are treated through a framework of in-vessel composting site operators who are appointed through short-term call-off contracts. The current framework is due to expire in 2026, but the Authority are considering a possible extension to the arrangement.
- 1.1.5 The Authority has recently completed an outline business case and is in the process of developing a procurement strategy to inform the preparation of a future Biowaste Management (“**BMS**”) Contract for the receipt and treatment of Biowaste arisings described at paragraphs 1.1.3 and 1.1.4 of this document.
- 1.1.6 This Soft Market Testing (“**SMT**”) exercise is being undertaken to better inform the Authority’s understanding of the capabilities and capacities of the proximate waste management sector. All information provided in response to this SMT exercise shall be treated as commercially confidential and shall not be shared beyond the Authority’s waste management team and its advisors engaged to develop the BMS Contract. Organisations that respond to this SMT exercise (“**Candidates**”) are advised that by submitting a response to the SMT exercise, that neither they nor the Authority are under any obligation to provide any future service that may form part of the BMS Contract.
- 1.1.7 Candidates should be aware that TUPE may apply for any future procurement exercise that the Authority wishes to undertake.

2 GMCA Waste and Recycling

2.1 Performance and Compositional Analysis

- 2.1.1 The Authority’s Sustainable Consumption Plan (“**SCP**”) was approved on 24th June 2022, and highlights what is needed to move Greater Manchester’s businesses to a model that is more reliant on reusing and recycling materials and how to empower residents to make more sustainable lifestyle choices, helping to achieve the region’s ambitions of becoming carbon neutral by 2038. A copy of the plan can be viewed [here](#).
- 2.1.2 Pursuant to paragraph 2.1.1, the Authority is planning to revise its household waste management strategy following the finalisation and confirmation of the Simpler Recycling scheme and associated policies.
- 2.1.3 In 2022/23, the recycling and composting rate for waste from households in Greater Manchester was 50.2%².
- 2.1.4 To assist in helping the Authority to manage waste arisings across the conurbation effectively and efficiently, the Authority commissioned a series of waste composition analyses to be carried out in spring and summer of 2018. Waste streams for analysis comprised the following:
- i) Residual non-recyclable waste;
 - ii) Co-mingled (mixed) dry recycling;
 - iii) Pulpables (paper and card) recycling;

² Recycling rate sourced from Greater Manchester Combined Authority – Waste Levy Webpage

- iv) Organics (co-mingled food and garden) recycling; and,
- v) wastes received at the Household Waste Recycling Centres (“HWRC”)

2.1.5 Findings from the waste compositional analysis are presented within Appendix 1 – Kerbside Waste Composition Analysis which will be provided alongside this document. The Authority is in the processing of commissioning further waste composition analysis to be undertaken, which will be completed in 2024 and 2025.

2.2 Policy Context

2.2.1 The Authority, as a WDA, is responsible for arranging the management and disposal of municipal waste from the Greater Manchester area. Individual local authorities, in their role as WCAs, are required to increase recycling and composting targets in accordance with relevant policies and legislation.

2.2.2 Since the commencement of the WRMS contract in 2019, there have been several policy developments of note which are pertinent to this exercise and are further detailed in this descriptive document.

2.3 Regulatory changes: Food Waste and Recyclables Collections

2.3.1 The Environment Act (2021) includes a requirement, which is not yet in force, for all local waste collection authorities in the UK to offer a non-chargeable food waste collection service, as stated within *section 45A England: separate collection of household waste*. Under section 45A, it is stated that recyclable household waste which is food waste must be collected at least once a week.

2.3.2 The Department for Environment, Food and Rural Affairs (“DEFRA”) published its long-awaited response to the Consultation on Consistency in Household and Business Recycling in England on the 21st October 2023³. Businesses and relevant non-domestic premises (such as schools and hospitals) shall be required to have a food waste collection service in place by 31st March 2025. Households are to follow by the 31st March 2026, and micro-firms by the 31st March 2027.

2.3.3 The consultation response states that local authorities will have the option to collect household-derived food and garden waste together as a comingled kerbside collection service, provided that the collection frequency is weekly.

2.3.4 It should be noted that six of the nine WCAs that come under scope of the Authority’s responsibilities as a WDA successfully applied for a Transitional Arrangement⁴ (“TA”); deferring the implementation of the Environment Act’s requirements for a household weekly food waste collection to be implemented by 31st March 2026. The deferred implementation date is the 1st April 2034 which corresponds with the expiry of the initial term of the Residual Value Contract, the Authority’s residual waste processing contract.

³ <https://www.gov.uk/government/consultations/consistency-in-household-and-business-recycling-in-england/outcome/government-response>

⁴ Bolton, Bury, Manchester, Oldham, Rochdale and Salford have all successfully applied for TAs that shall be in place until 31st March 2034.

- 2.3.5 The three remaining authorities, Stockport, Tameside and Trafford, did not apply for a TA as the authorities already offer a weekly organics collection service that comprises mixed food and garden waste.
- 2.3.6 Several WCAs referred to within paragraph 2.3.4 and 2.3.5 are currently considering options for introducing a chargeable household garden waste collection service. The implication of this may be a reduction in the mass of biowaste collected. Additionally, it is anticipated that if a chargeable garden waste collection is introduced, then the WCAs implementing such a change would be required to offer a separate segregated food waste collection service, free of charge, in line with the provisions of the Environment Act and simpler recycling policy reforms.

3 Soft Market Testing Requirement

3.1 Organics Management

- 3.1.1 The Authority is currently developing its procurement strategy for the procurement of a future BMS Contract (the “**Requirement**”), comprising the management and treatment of all Biowaste arisings collected as part of kerbside collections.
- 3.1.2 The outline business case, completed in early 2024, has provided the Authority with a clear direction on future waste management arrangements. Given the lack of merchant Anaerobic Digestion (AD) capacity in the northwest region, it is clear that new infrastructure shall be required to support the delivery of a new BMS Contract.
- 3.1.3 The outline business case found that Dry, or high solids, AD provides the best environmental and cost option for treating biowaste collected through the co-mingled waste collection service that the WCAs currently operate. Dry AD serves as a promising technology due to its capability of processing the co-mingled fraction of the putrescible organic material.
- 3.1.4 Any Dry AD capacity utilised as part of a future BMS Contract shall be expected to positively contribute to the decarbonisation of the economy, with the expectation that process outputs, such as biogas, shall be upgraded to biomethane for injection into the UK gas grid, and/or utilised as a renewable energy fuel.
- 3.1.5 It is expected that any new Dry AD capacity utilised for the Contract must be eligible for Green Gas Support Scheme (“**GGSS**”) accreditation and the anticipated revenues derived from the scheme. The closure of the GGSS in March 2028 provides a key date in the delivery programme.
- 3.1.6 The Authority is also considering funding options for the project, and this shall form a topic of discussion within the SMT exercise.
- 3.1.7 The Authority is undertaking this SMT exercise to better understand the market’s capacity, capabilities, and level of interest in providing waste management, treatment and disposal services to the Authority, and the infrastructure and capacity which may be available (either current or planned)

to meet the Requirement. The information obtained from this SMT exercise shall inform the Authority's future procurement strategy.

3.1.8 The Authority is conducting the SMT exercise pursuant to Regulation 40 of the Public Contracts Regulations 2015 (the "**Regulations**").

3.1.9 It should be noted that such advice gained from the SMT exercise may be used in the planning and conduct of the procurement procedure, provided that it does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency.

4 Outline Business Case and Delivery Pathway

4.1 Authority Assumptions

4.1.1 Following the review of the outline business case and a discussion of the Authority's requirements, the proposed strategy, headline assumptions regarding a future BMS Contract are detailed below:

i) In line with the findings of pre-procurement strategy and outline business case work undertaken by the Authority, the treatment technology will be dry anaerobic digestion. Any other forms of anaerobic digestion brought forward in response to this SMT must be capable of treating the co-mingled food and garden biowaste that is recycled by the Authority;

ii) The site(s) must have a cumulative processing capacity of c.200,000 tonnes per annum to satisfy the Authority's Biowaste disposal requirements. The commissioning of the full capacity may be staged in line with the expiry of the current waste treatment arrangements.

iii) The (Preferred) Bidder is to provide the treatment site(s), either their own or 3rd party. The Authority is not prescriptive on the location of the treatment site(s) but would encourage Bidders to consider the proximity principle in any proposals submitted as part of a future contract opportunity.

iv) Facilities must have completed hot commissioning, passed all readiness and acceptance tests, and be capable of receiving and treating biowaste by the Services Commencement Date of a future BMS Contract. The announced closure of the Green Gas Support Scheme in March 2028 currently provides an important target date in the development programme.

4.1.2 The above list is not exhaustive and there are a number of other assumptions which are addressed through the accompanying questionnaire.

4.1.3 Where there is a positive and financially reliable response to the SMT exercise, then the Authority shall consider running a full procurement process in line with the requirements listed above.

5 Soft Market Testing Format

5.1 SMT Guidance

- 5.1.1 This section provides Candidates with an overview of the SMT exercise to be conducted by the Authority.
- 5.1.2 The SMT exercise is based upon the return of a questionnaire which is provided in document reference GMCA – Soft Market Testing Exercise Response Document . Questions will be permitted in accordance with that document.
- 5.1.3 The Authority kindly requests that all Candidates complete the response document to the best of their ability. The Authority shall consider these responses accordingly.

5.2 Clarification Questions

- 5.2.1 Following the release of the SMT questionnaire, Candidates can submit questions through The Chest e-tendering Portal (“the **Portal**”) up to the stated time limit for the receipt of clarification questions. All communications with the Authority must be through the Portal.
- 5.2.2 Responses to clarification questions will be provided to all Candidates who have expressed interest in the SMT exercise. Any clarification questions marked as, and subsequently considered to be confidential by the Authority will be treated in the manner as described below:
- The Authority will consider the question posed and consider whether there may be grounds for a direct reply.
 - Where the Authority considers there are no grounds for a direct reply to be provided, the Respondent raising the question will be notified and an opportunity to redact the question will be offered.
 - The Candidate can then choose whether to withdraw the question or the response will be provided to all prospective Candidates.
- 5.2.3 The time limit for clarifications to be submitted to the Authority shall be no later than **12:00 noon on 29th August 2024**.

5.3 Market Engagement Day

- 5.3.1 The Authority intends to conduct a Market Engagement Day with Candidates that have registered their interest in the opportunity through the Portal. Candidates shall be invited to receive presentations from the Authority, and to ask questions, both in an open forum and in individual follow up meetings with the Authority officers.
- 5.3.2 Candidates will have the opportunity to conduct face to face discussions with Authority representatives as part of the Market Engagement Day.
- 5.3.3 There shall also be opportunity for bookable 1-2-1 individual meetings to be arranged with Authority representatives. Further details on this are set out in paragraph 5.3.8 of this Descriptive Document.

- 5.3.4 The Agenda for the Market Engagement Day shall be as follows:
- Introductions and welcome to Manchester;
 - the Authority's waste management context and waste treatment requirement;
 - the envisaged contract structure (including broad assumptions made to date by the Authority project team; and,
 - a panel session to invite questions from Candidates to speakers.
- 5.3.5 The Market Engagement Day shall take place on the **30th August 2024** in Central Manchester (Location TBC for registered Candidates). All Candidate representatives shall be required to make their own travel arrangements to the Market Engagement Day.
- 5.3.6 Candidates who wish to participate in the Market Engagement Day must register their interest by send a message to request attendance via the Portal. The Authority will then respond to confirm availability and timings. The time limit for registering for the Market Engagement Day is **17:00 on 16th August 2024**.
- 5.3.7 In any circumstances where the event is oversubscribed beyond the capacity of the venue, the Authority reserves the right to restrict the number of Candidates who can attend from each organisation. Details of any such limit will be communicated as registrations are received.
- 5.3.8 Following the completion of the Market Engagement Day, Candidates shall be invited to individual follow up meetings with the Authority officers. The individual follow up meetings shall take place between the **04th September – 06th September 2024**. Each meeting shall take place using Microsoft Teams video conferencing software and shall last one hour in length.

6 Part B – Response Questionnaire

6.1 Response Instructions

- 6.1.1 Candidates may respond to this SMT exercise by completing the Soft Market Testing Exercise – Response Questionnaire Document of this SMT pack.
- 6.1.2 Candidates are instructed to detail responses within the Soft Market Testing Exercise – Response Document provided. All responses to questions should be provided in accordance with the stated word limit. Candidates are encouraged to provide more concise responses where able to do so.

6.2 Soft Market Testing Timescale

- 6.2.1 The Authority is intending to follow the indicative timetable for the SMT exercise as shown in Table 1 below.
- 6.2.2 The timetable has been carefully considered to ensure an appropriate balance between a) ensuring that Candidates have time to share sufficiently detailed thoughts and considerations, and b) ensuring that the Authority has sufficient time to review and carefully consider responses in developing the outline business case and procurement strategy.

6.2.3 The Authority reserves the right to change the timetable at any stage of the process and will notify prospective Candidates of any such changes as soon as reasonably practicable.

Table 1 - Indicative Soft Market Testing Timescale

Action	Start Date	End Date
Prior Information Notice Released	24 th July 2024	24 th July 2024
Questionnaire available to prospective Candidates	24 th July 2024	13 th September 2024
SMT Clarification Period	24 th July 2024	30 th August 2024
Market Engagement Day	30 th August 2024	30 th August 2024
1-2-1 Interviews	04 th September 2024	06 th September 2024
Final responses provided to clarifications	11 th September 2024	11 th September 2024
Time limit for written responses from Candidates to be received	24 th July 2024	13 th September 2024 at 17:00 hours

7 Important Notices

7.1 Regulatory Context

7.1.1 The Authority is conducting the SMT exercise pursuant to Regulation 40 of the Regulations.

7.2 General

7.2.1 This part of the Soft Market Testing Descriptive Document provides important notices that govern the Soft Market Testing exercise.

7.2.2 It is essential to observe and comply with this Descriptive Document in the preparation and submission of a Respondent’s response. The Authority reserves the right to not consider a response that does not fully comply with these instructions.

7.3 Confidentiality

- 7.3.1 Candidates receiving the Soft Market Testing pack shall treat all information provided by the Authority as confidential.
- 7.3.2 Candidates may only share information on the Soft Market Testing exercise with its advisors, agents and sub-contractors for the purpose of preparing a response to the Authority and such advisors, agents and sub-contractors shall also treat any information provided by the Authority as confidential. Candidates may not use the Authority's information for any other purpose.
- 7.3.3 Subject to the provisions and requirements of the Freedom of Information Act 2000 and Environmental Information Regulations 2004, the Authority and its appointed advisors shall hold all responses in the strictest confidence. Information shall not be regarded as confidential for this purpose if it is in, or subsequently enters, the public domain (through no breach of this confidentiality obligation); was lawfully obtained free of any duty of confidentiality, otherwise than from the participant; was already in the Authority possession prior to the date of disclosure by the participant, or is necessarily disclosed pursuant to a statutory obligation or order of a Court of competent jurisdiction.
- 7.3.4 The Authority reserves the right to disseminate information that is materially relevant to the SMT exercise to all Candidates, even if the information has only been requested by one Respondent, subject to the duty to protect any Respondent's commercial confidence in its responses.
- 7.3.5 The Authority reserves the right to take into account the views, opinions and suggestions expressed by participants in the further development of any proposed contract documents and procurement process in relation to the project. The outcomes of the information request exercise may be summarised and released in the public domain albeit without attributing responses to specific organisations.

7.4 Disclaimer

- 7.4.1 Participation will not give rise to any right or expectation that your organisation will be selected to participate in any subsequent procurement exercise that may be undertaken. It should not be taken as a commitment or representation on the part of the Authority that it will commence a procurement process.
- 7.4.2 The outcome is intended to aid the Authority's development of the project and not to favour any single response.
- 7.4.3 The information provided by the Authority is intended only as an explanation of the Authority's requirements and is not intended to form the basis of an organisation's decision on whether to enter into any contractual relationship with the Authority. The information provided shall not form the basis of or be relied on in connection with any contract.
- 7.4.4 Whilst all materials supplied have been prepared in good faith the information provided has not been independently verified and does not purport to be all-inclusive or to contain all the information that a prospective service provider may require.
- 7.4.5 Neither the Authority nor their appointed advisors shall be liable for any loss or damage arising as a result of reliance on the information provided. Save as

provided below, in no circumstances shall the Authority or its staff, agents or advisors incur any liability whatsoever or be liable for any expenses incurred by participating organisations at any time. Any and all liability in relation to this SMT exercise request is hereby expressly disclaimed and excluded to the maximum extent permissible by law. The exclusions of liability contained in this paragraph do not exclude liability for death or personal injury caused by the Authority or its staff, agents or advisors' negligence and/or to fraud or fraudulent misrepresentation by the Authority or its staff, agents or advisors.

- 7.4.6 The information provided is not, nor is it to be taken as, the giving of investment advice by the Authority or any representatives nor is it an invitation or inducement to engage in investment activity.
- 7.4.7 The information provided in the response will not be used in any selection or evaluation of any subsequent response to a procurement exercise.
- 7.4.8 Economic operators who do not respond to the SMT exercise will not be precluded from participating in any future procurement exercise undertaken by the Authority.

7.5 Authority's Right to Reject/abandon

- 7.5.1 The issue of this SMT pack in no way commits the Authority to proceed with any procurement exercise pursuant to this SMT exercise.
- 7.5.2 The Authority shall be able in its sole and absolute discretion to withdraw from Soft Market Testing with Candidates at any time and/or to abandon the SMT exercise.

7.6 Amendments to the Soft Market Testing Pack

- 7.6.1 The Authority reserves the right to issue amendments or modifications to the SMT documents during the response period.
- 7.6.2 Any such amendments will be issued to all Candidates simultaneously and responses will be assumed to take them, and any modifications and amendments arising from the SMT exercise (including responses to questions), into account.