

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Minutes of the meeting of the Joint Committee held in the Council Chamber, Russell House, Rhyl on Friday 12th March 2010 at 9.30am

PRESENT:

Councillor M. Priestley – Conwy County Borough Council
Councillor R. Hughes – Conwy County Borough Council
Councillor Eryl Williams - Denbighshire County Council
Councillor J. Thompson-Hill – Denbighshire County Council
Councillor N. Phillips – Flintshire County Council
Councillor N. Matthews - Flintshire County Council
Councillor A. Pierce – Gwynedd Council
Councillor T.H. Jones – Isle of Anglesey County Council

ALSO PRESENT

Denbighshire County Council

Mr Iwan Prys-Jones (Corporate Director: Environment), Mr Steve Price (Scrutiny Support officer), Miss Emily Corfield (Committee Administrator)

Flintshire County Council

Mr Colin Everett (Chief Executive), Mr Carl Longland (Environment Director), Mrs Kerry Feather (Head of Finance), Ms Louise Peareson (Solicitor)

Gwynedd County Council

Mr P. Evans (Senior Projects Manager)

Anglesey County Council

Meirion Edwards (Waste Officer)

North Wales Residual Waste Treatment Partnership

Mr Steffan Owen (Project Manager)

1. APOLOGIES:

Councillor R.G. Parry (Anglesey County Council), Councillor G. Roberts (Gwynedd Council) Mr Stephen Penny (NWRWTP), Mr Andrew Kirkham (Conwy County Borough Council),

2. ELECTION OF CHAIRMAN AND VICE CHAIRMAN TO THE JOINT COMMITTEE

The Committee elected Councillor Eryl Williams (Denbighshire County Council) as Chairman of the Joint Committee, following nomination by Councillor M. Priestley. Councillor Williams thanked Members for their confidence in him in his role as Chair.

Members elected Councillor Nancy Mathews (Flintshire County Council) as Vice Chair.

3. **APPROVAL OF PREVIOUS MINUTES**

The minutes of the meeting held on 9th December 2009 (previously circulated) were submitted.

RESOLVED that the minutes be received and approved as an accurate record.

4. **MATTERS ARISING FROM PREVIOUS MEETING**

There were no matters arising

5. **RIR – RISK STATUS UPDATE**

A report (previously circulated) was presented by the NWRWTP Project Manager – Mr Steffan Owen. In addition to providing Members with a regular update as requested, the report also highlighted some of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that were in place. Steffan Owen indicated that there had been a very positive response and outcome to the recent risk workshops.

In relation to the risk issue register itself, Councillor T Jones felt that given the size of the register – currently 50-60 risks in total, the joint committee's position should be to concentrate on the high level 'red' risks. Colin Everett agreed that at committee level, Member's attention should be concentrated towards the highest risks; however, he felt the committee would still need access to the full list. It was agreed that future risk status reports would summarise timely issues for the joint committee; in particular the high and medium level risks, and include an indication of the level of confidence attached to the mitigation measures.

Whilst the report was being considered, Members discussed PR coverage and agreed to discuss their strategy and how to fund it at a future meeting.

RESOLVED that :-

- (a) the joint committee note the updated risk register for the project;*
- (b) future risk status reports to summarise timely issues, in particular the high and medium level risks, and to include an indication of the level of confidence attached to the mitigation measures; and that*
- (c) a review of the PR strategy and funding be considered at a future meeting of the joint committee.*

6. **PROGRESS REPORT – WASTE TREATMENT PROJECT**

The report, (previously circulated) presented by Steffan Owen, gave Members an overview on the developments in the Waste Treatment Project during the period of 21st November 2009 – 2nd March 2010.

Steffan Owen gave a brief update on the key developments within the project and during the consideration of the report; the following key points were raised:

- Colin Everett reported that Flintshire County Council had on 9th March fully approved the Outline Business Case.
- Councillor M. Priestley reported that Conwy County Borough Council had asked the joint committee to work to secure the commitment of all 5 local authorities in advance of the 2012 local government elections.
- The joint committee agreed that all five Authorities should be involved in the WAG's 'Gateway Review' scheduled for April 2010 and a list of members and senior officers to take part in the Review be sent to WAG.
- Officers had met with Powys County Council to discuss potential synergies regarding waste services. The meeting confirmed that rail links were vital to including Powys as the logistics in using the road network to transport waste were not practical. A rail study would therefore be required to progress matters.
- It was hoped that workshops with members from the 5 authorities to ensure that their views and priorities were known and considered would be held before the end of May 2010. The Chairman emphasised the importance of giving plenty of notice about the workshops and Colin Everett stated that the information given at the workshops must be in agreement with the Project's strategy.

RESOLVED that the joint committee note the progress report and the issues raised be appropriately addressed.

7. **OBC & IAA UPDATE**

A report (previously circulated) was delivered by Steffan Owen, which provided Members with detail of the proposed Outline Business Case and Inter Authority Agreement for their consideration. He advised that feedback from the approval process had raised exploring the utilisation of rail and making the Inter Authority Agreement more explicit in respect of a universal gate fee.

The Outline Business Case and Inter Authority Agreement would need to be checked by legal officers prior to submission to WAG.

Members agreed that progress be reported to future meetings of the joint committee.

RESOLVED that the Joint Committee approves the submission of the Outline Business Case and Inter Authority Agreement (subject to finalisation by legal officers) to the Welsh Assembly Government

8. **FUTURE MEETING DATES**

Members agreed to the proposed meeting schedule for 2010. The Committee would also confirm availability with Steffan Owen for an additional meeting to be held on the 29th October, which was agreed to be hosted by Gwynedd Council.

9. **ANY OTHER BUSINESS**

- The Chair asked that Steffan Owen pass on the Committee's best wishes to Stephen Penny during his difficult personal time.
- Colin Everett requested the joint committee's approval to renew Stephan Penny's contract which would end in May 2010, on existing terms and conditions, which was agreed by Members.

AGENDA ITEM NO: 4

REPORT TO: **NWRWTP JOINT COMMITTEE**
DATE: **18 JUNE 2010**
REPORT BY: **PROJECT DIRECTOR**
SUBJECT: **RISK REGISTER REPORT**

1. PURPOSE OF REPORT

- 1.1. The members of the NWRWTP Joint Committee have requested that they are provided with an update of the risk register at each meeting of the Joint Committee.
- 1.2. This report will highlight some of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that are in place.

2. BACKGROUND

- 2.1. The Risk Register as considered by the meeting of this Joint Committee on 12 March 2010 will require continued update throughout the project lifespan.

3. CONSIDERATIONS

- 3.1. There are no new risks/ issues identified this reporting period and no changes to the Top 5 risks.
- 3.2. The only changes to the risk register is in relation to risk PS5 as a result of the increased risk of not being able to secure a location for one of the proposed waste transfer stations (shown in appendix 1).
- 3.3. The Top 5 risks (after controls have been put in place) are shown in appendix 2.
- 3.4. The full risk register has been included with the papers.
- 3.5. The risk register will continue to be reviewed by the Project Director and reported to the Project Board at future meetings.

4. RECOMMENDATIONS

- 4.1. That the Project Board note the updated risk register for the project.

5. FINANCIAL IMPLICATIONS

5.1. Not applicable

6. ANTI-POVERTY IMPACT

6.1. None

7. ENVIRONMENTAL IMPACT

7.1. Not applicable

8. EQUALITIES IMPACT

8.1. Not applicable

9. PERSONNEL IMPLICATIONS

9.1. Not applicable

10. CONSULTATION REQUIRED

10.1. Not applicable

11. CONSULTATION UNDERTAKEN

11.1. Not applicable

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Stephen Penny NWRWTP

Appendix 1 Main additions /amendments to the Risk Register this period.

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management		
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team are identifying sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	Commence negotiations with land owners of (further) additional sites identified as potentially suitable for location of facilities with the aim of securing options/ heads of terms for sites.	PD	5	3	15

Appendix 2 Top (Red) risks and issues

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management		
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall
Policy & regulatory Risk – Change in WAG objectives / regulations												
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	3	5	15	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD			3	4	12
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.												
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20			Project team will ensure an adequate stakeholder engagement and communications plan in place. Alternative site work will continue during early stages of procurement process.	PD	4	3	12
Procurement Strategy and Process												
P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA' s face infraction fines for additional landfill above allowance	4	4	16	OBC modelling has shown that each partner authority can meet LAS allowances if they increase "front end" recycling and composting" and the project is delivered to timetable. Any underperformance in this "front end" recycling and composting are outside the scope of this project	Partner authorities	Procurement process to ensure that is delivered in timely manner with the risk of late delivery of the residual waste treatment service minimised.	PD	4	3	12
Planning and permitting -ability to secure successful planning and permitting outcome for solution												
PS11	Public opposition to technical solution/planning application including legal challenge	Delays to project delivery programme, excessive LAS penalties, affordability envelope threatened.	4	5	20			Active stakeholder and communications plan.	PM	4	4	16
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team are identifying sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	Commence negotiations with land owners of (further) additional sites identified as potentially suitable for location of facilities with the aim of securing options/ heads of terms for sites.	PD	5	3	15
Wastes												
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15			Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis being delivered by WAG through WRAP. Initial work commencing in June 09. Perfoamcne of technology solution will be tested and understood as part of the	PD	3	4	12
Performance												
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for	4	4	16			Ensure market deliverability demonstrated as part of procurement evaluation process.	PD	4	3	12

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE											Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Impln Date	Review Date	Closure Date		
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall					
Policy & regulatory Risk – Change in WAG objectives / regulations																	
PO1	WAG changes financial support available for residual waste treatment projects due to WAG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	4	3	12	Project Team to monitor WAG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			4	2	8	Ongoing	Apr-10			
PO2	WAG Environmental policy and objectives change	Project is now inappropriate	4	4	16	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD			4	2	8	Ongoing	Apr-10			
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	3	5	15	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD			3	4	12	Ongoing	Apr-10			
PO5	WAG fail to provide clarity within their strategic objectives	Delay and loss of stakeholder support	3	4	12	Keep in close contact with WAG to ensure potential policy changes that may impact on the project are identified early.	PD			3	3	9	Ongoing	Apr-10			
Strategy risk – change in any participating council's waste strategy or technology / solution preference																	
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WAG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	2	8	Ongoing	Apr-10			
Political																	
AP1 (ex T1)	Multi-Authority Approach leads to protracted discussions to resolve issues	Consultancy costs increase. End date not met. LAS penalty risk increased.	3	3	9	Project Plan detailing timescales. OBC Approvals process mapped out for each partner authority. Offer of support form project team and advisors in approvals processes.	PM			3	2	6	Dec-09	Apr-10			

AP2 (ex P11)	Decision on award of contract is multi authority	Selection of Contractor is delayed due to multi-Authority Involvement (Cabinet Process)	4	3	12		Project Champions from participating Authorities shall evaluate the bid without disclosure to members/senior staff (GMWDA Model)- Evaluation approach will be determined prior to OJEU publication	PD	4	2	8	July - Aug 2010	Apr-10			
AP4	Lack of Council political support within one or more of the Partner Authorities.	Delays to project, increase in costs, loss of competitive pressure, threat to VFM, possible procurement challenge, or total abortion of the project	4	3	12	Existing work on PID has fleshed out core principles of agreement. Provision of briefings and information to partner authorities - offered proactively by project team and advisors. Ongoing communication and engagement on key project parameters.	Lead chief Executive, Project Board members (lead Officers for each partner authority)		4	2	8	Ongoing	Apr-10			
AP5	Change in priorities in a Council	Major funding issues	4	3	12	OBC will identify affordability of project and benefits of the reference solution in terms of costs management.	Lead chief Executive, Project Board members (lead Officers for each partner authority)		4	2	8	Ongoing	Apr-10			
AP6	Local Government re-organisation	Confusion and uncertainty	4	4	16	To be managed if and when prospect occurs during the project period	TBC		4	2	8	Ongoing	Apr-10			
Joint Working – one or more partners exiting the partnership																
JW1	One of the Partner LA's withdraw during procurement process	New OJEU notice has to be placed	5	2	10	IAA 1 drafted to show clear consequences of Authorities leaving the process during and after procurement phase.	BD		5	1	5	Ongoing	Apr-10			
Finance & Affordability																
F1	Lack of Budget profile leads to unexpected surplus	Surplus is absorbed and re-application required	3	2	6	Finance Officer to be appointed to the team. Payments based on milestones. PD has updated project budget profile. PD to monitor and manage	PD		3	1	3	Ongoing	Apr-10			
F2	Procurement delays lead to increased procurement costs (due to extended procurement process)	LA's seek additional funding or withdraw	1	2	2	Cabinet reports sought to extend finance as required beyond budget	PD	Manage procurement delays by appropriate design of procurement process.	PD	3	2	6	Jan-10	Apr-10		
F3	Commodity and construction prices increase significantly during procurement and construction phases	Increased project costs and possible exceedance of affordability envelope	4	5	20	Advisors have utilised current market pricing and liaising with WAG / PUK in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD		4	2	8	Ongoing	Apr-10			

F4	Long term interest rates volatility beyond current anticipated levels	Increased project costs and effective impact on affordability envelope	3	5	15	OBC to include a number of sensitivities to be modelled to inform affordability profile.	PD			3	3	9	Ongoing	Apr-10		
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WAG / PUK in relation to projected costs in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest to be encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution	PD	4	2	8	Ongoing	Apr-10		
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15			Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	5	2	10	Ongoing	Apr-10		
F7	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12			Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including finance structure) are capable of being awarded the contract	PD	4	2	8	Ongoing	Apr-10		
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9			Ensure that adequate advice is taken from WAG, PUK and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	PD	3	2	6	Ongoing	Apr-10		
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors to make prudent assumptions (checked with PUK and WAG) and carry out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	Apr-10		
F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors to make prudent assumptions (checked with PUK and WAG) and carry out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	Apr-10		
F11	Banking sector cannot provide capital	Increased costs or procurement failure	4	4	16			Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	4	2	8	Ongoing	Apr-10		

F12	Robustness of bank funding clubs	Increased costs or procurement failure	3	4	12			Procurement process to be designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	3	3	9	Ongoing	Apr-10		
F13	WAG financial support evaporates	Project is unaffordable	5	3	15	Assurances already received from WAG that funding is available for the project as has been agreed previously for project Gwyrdd.	PD	Specific assurances to be sought from WAG on approval of OBC .	PD	5	2	10	Ongoing	Apr-10		
Advisers – change in key personnel																
AD 1	Key advisor personnel team leave or are no longer available to support the project	Delays and lack of familiarity with the project by any replacement advisory staff.	3	3	9	Advisor's project directors to keep an overview of the advisor work. Capacity of teams providing advice tested during appointment of the advisors. Ongoing monitoring of advisor situation to ensure adequate advisor cover an knowledge often project .	PD			3	2	6	Ongoing	Apr-10		
Project Delivery																
PD1	Potential bidders do not bid due to the costs associated with Competitive Dialogue process	Reduced Competition on bid process	4	2	8			To ensure a suitably streamlined, timely and well delivered procurement process adopted. Appropriate use and instruction of advisors. Input from WAG PO and PUK.	PD	4	1	4	Ongoing	Apr-10		
PD2	Potential bidders do not bid due to the Risks being passed to the Contractor	Reduced Competition on bid process	4	3	12	A risk allocation workshop was held with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD	The Project Agreement will conform to standard from of contract as provided by WAG / PUK. Any derogations / changes from this standard position will be agreed with WAG/ PUK before implementation to ensure acceptable transfer of risks.	PD	4	2	8	Nov-09	Apr-10		
PD 3	Potential bidders do not bid due to lack of cohesiveness of the Partnership	Reduced Competition on bid process	4	3	12	IAA drafted & Governance Arrangements for procurement period defined in OBC/ IAA.	PD	IAA to be signed by all partner authorities.	PD	4	2	8	Ongoing	Apr-10		
PD4	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	4	3	12	Procurement is to be "Technology Neutral"	PD	Ensure appropriate design of procurement process.	PD	4	2	8	Ongoing	Apr-10		
PD 5	Potential bidders do not bid as volumes of waste are too small	Reduced Competition on bid process	4	3	12			Consider adding Commercial and Industrial waste to scope of project. Consider allowing bidders to be open to other contracts Review of this position to be undertaken in conjunction with advisors as part of procurement design process	PD	4	2	8	Ongoing	Apr-10		

PD6	Too many bidders come forward and difficult to de-select to suitable shortlist	Delays to procurement programme, increased development phase costs	3	3	9		Procurement process will be designed and resourced to allow a number of bidders to assessed.	PD	3	1	3	Ongoing	Apr-10	Limited level of criteria at PQQ and ISOS procurement stages.
PD7	The Preferred Bidder drops out or fails to reach a satisfactory commercial/financial close	Programme delay, increased development phase costs, excessive LAS penalties, loss of competitive pressure and possible increase in overall solution costs	5	2	10		Procurement process will be designed to ensure ability and /or appetite for contract closure is understood pre preferred bidder appointment. No major issues to be allowed to remain unresolved prior to preferred bidder.	PD	5	1	5	Ongoing	Apr-10	To date not happened as at this late Contractor is heavily involved.
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	3	12		Procurement process will be designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.	PD	4	2	8	Ongoing	Apr-10	Has occurred on a number of UK PFI projects.
PD9	Utility connections may not be available for the solution	Possible threat to affordability, delay to programme	3	3	9		Technical advisors to be tasked to ensure ability to secure utility connections is understood early in the procurement process.	PD	3	2	6	Ongoing	Apr-10	
PD10	Construction contractor goes into liquidation/receivership during construction phase	Delay to commencement of waste processing, excessive LAS costs, replacement constructor required - increased capital costs	3	3	9		Bidders to demonstrate financial position as part of PQQ and also re-checked at key stages during procurement process	PD	3	2	6	Ongoing	Apr-10	Current concern especially
PD11	Insufficient project resource (numbers and knowledge/experience of staff/project team)	Delays to projects, increased development costs to 'repair' project, reduced market interest and consequent loss of competitive pressure VFM	3	3	9	PD and PM now in post	Authorities to nominate appropriate individuals and to backfill their posts. Input required from key officers in Partner Authorities. PD has produced an estimated resource input schedule to assist Partner authorities in resource management	Individual Partner Authorities	3	2	6	Ongoing	Apr-10	Natural outward selection of smaller incapable contractors due to affordability of high bid costs.
PD12	Negotiations on contract are protracted beyond planned programme	Contractor has opportunity to re-bid, price escalation, loss of VFM, affordability threatened, project delay, possible excessive LAS costs.	3	4	12		Procurement process will be clearly defined. Clear partner positions to be articulated to the bidders at all stages.	PD	3	2	6	Ongoing	Apr-10	Criteria for project may change if excessive delay.
PD13	Delay in production/approval of OBC	Possible delay to project programme, potential loss of WAG funding, LAS compliance costs incurred	4	3	12	Programme in place, tasks allocated and WAG supplied with approvals timeline for partner authorities.	Partner authorities to ensure that adequate senior management support given to approvals processes	Partner authority Cexs, Corporate Directors, PB members,	4	2	8	Ongoing	Apr-10	If funding is put at risk by OBC submission delay.

PD14	Delay in production/approval of inter-Authority agreement	Possible delay to project programme, potential loss of WAG funding, LAS compliance costs incurred	3	3	9	Programme in place, tasks allocated and WAG supplied with approvals timeline for partner authorities.		Partner authorities to ensure that adequate senior management support given to approvals processes	Partner authority Cexs, Corporate Directors, PB members,	3	2	6	Ongoing	Apr-10		Criteria for project may change if excessive delay.
PD15	Inadequate project management discipline	Possible delay to project programme, LAS compliance costs incurred, delivery management objectives not met, internal stakeholders complain	2	2	4	PD and PM now in post. PD to check that adequate PM controls in place. Internal audit to be engaged prior to Procurement.		WAG to carry out gateway review of the project pre procurement. PD to take on board any recommendations.	PD	2	1	2	Ongoing	Apr-10		Unlikely. Risk to Authority.
PD16	Facilities not commissioned on time	Possible delay to project programme, LAS compliance costs incurred.	3	3	9			Procurement process will be designed to ensure sites are identified and understood in terms of planning deliverability. Preliminary site investigate works to be carried out on reference sites. Procurement process to test bidders delivery timetables.	PD	2	2	4	Ongoing	Apr-10		Project/technology specific.
PD17	OBC rejected by WAG (due to omissions, too much competition from other authorities)	Possible delay to project programme, LAS compliance costs incurred.	3	3	9	OBC follows WAG guidance. Regular meetings with WAG and input from PUK transactor.	PD			3	2	6	Ongoing	Apr-10		Partnership risk
PD18	Only one acceptable bidder comes forward	Delay to project, increased cost of going back to market, increased bid prices, failure to secure VFM, excessive LAS compliance costs	4	2	8	PD has commenced market engagement. Good feedback and high level of interest already expressed by a number of potential bidders.	PD	Ensure consistency of message to market.	PD	4	1	4	Ongoing	Apr-10		Unlikely based on current situation.
PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs associated with inflation and need to revisit market to secure an acceptable solution. Partnership reputation damaged.	5	2	10	PD has commenced market engagement. Good feedback and high level of interest already expressed by a number of potential bidders.	PD			5	1	5	Ongoing	Apr-10		Market currently near saturation for recyclates and IBA's recycling growing.
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO1	Mis-information to Members caused by differences in reports and documentation	Authorities working to different agendas/outcomes leading to a breakdown in the consortia	3	3	9	Communication Officer Group established, with a media protocol agreed to ensure consistency of message.	PM		PM	3	2	6	Ongoing	Apr-10		

CO2	Risk of challenge to planning approvals if opportunity not given to stakeholders to input to the development of the specifications and evaluation frameworks that will underpin the procurement and subsequent facility planning approvals process.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	Consultation sessions diaried with members of the 5 authorities in May/June 2010 to get input into the evaluation framework.	PM	Consultation sessions on the evaluation framework to be organised for late May / early June.	PM	4	2	8	Mar-10	Apr-10		
CO3	Reference sites identified within OBC could lead to significant opposition to proposed development. As a result planning committee(s) and /or judicial review may not support a positive planning outcome if early engagement is not carried out with affected communities.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	"Drop in" sessions organised in the area of the Reference Site. Contact made with key businesses around Reference Site.	PM	Further engagement work around reference site (and other reference sites if identified) at key stages of project.	PM	4	2	8	Ongoing	Apr-10		
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Alternative site work will continue during early stages of procurement process.	PD	4	3	12	Ongoing	Apr-10		
Timescales																
T4b	Procurement delays lead to increased procurement costs (due to extended Approvals processes)	LA's seek additional funding or withdraw	3	3	9	PID identifies projected timeline and key decision points.	PD	Project Director (with support from the Waste Board) to seek to ensure approvals processes are identified early and streamlined.	PD	3	2	6	Ongoing	Apr-10		
T5	Key Activities not identified in Project Plan	Potential for project to be delayed due to lack of resource or dependability issues	3	2	6	WAO and PUK experts to scrutinise Project documentation	PD	Technical, Legal and finance advisors feedback on project plan to be sought and any required amendments incorporated	PD	3	1	3	Ongoing	Apr-10		
T8	OBC timeline is delayed if required information in terms of tonnage, future recycling / diversion performance (front end) and service costs are not fully available.	OBC is delayed if more work is required to generate this information. If the OBC is developed without this information being fully available, WAG may reject the OBC and require re-submission once this work has been completed.	4	3	12	Engagement with technical consultants, and discussions with technical officers.	PD/PM	Until information received from partner authorities it is not know what further work will be required.	PM	4	2	8	Nov-09	Apr-10	Apr-10	
Procurement Strategy and Process																

P2	Existing contracts and facilities prevent all participating authorities to utilise all elements of the proposed final solution	Payment made by authorities in duplication	2	2	4	Facilities paid for on a gate fee by use (minimum tonnage guarantees will apply). Agreement on Universal gate fee principal written into IAA. Projected timeline for commencement or residual waste treatment service clearly communicated to partner authorities. No existing partner authority contracts will overlap with commencement of this service.	PD		2	1	2	Ongoing	Apr-10			
P10	Risks regarding funding methodologies requires variant bid and resultant funding arrangements are present in PQQ	PQQ evaluation period extended to accommodate variations and risks regarding funding methodologies	2	2	4	Financial assessment to be undertaken by consultancy	PD	Review of this position to be undertaken in conjunction with advisors as part of procurement design process	PD	2	2	4	Ongoing	Apr-10		
P12	Solution offered is not technically viable	landfill diversion not obtained, LA's incur infraction penalties	5	3	15	LAS infraction fine passed to contractor. Technical viability scored within procurement documentation	PD	Appropriate evaluation framework (based on WAG Framework) to be developed and utilised for the project.	PD	5	2	10	Ongoing	Apr-10		
P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA's face infraction fines for additional landfill above allowance	4	4	16	OBC modelling has shown that each partner authority can meet LAS allowances if they increase "front end" recycling and composting" and the project is delivered to timetable. Any underperformance in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the individual partner authorities. See also risk W1	Partner authorities	Procurement process to ensure that is delivered in a timely manner with the risk of late delivery of the residual waste treatment service minimised.	PD	4	3	12	Ongoing	Apr-10		
P14	Bids scored by inexperienced internal team	Solution selected is not the most advantageous tender and is open to challenge by unsuccessful bidders	4	3	12			Bid team selected by Project Director and PUK	PD	4	2	8	Ongoing	Apr-10		
P15	Bids scored by external consultants	Solution selected does not meet local requirements and is not accepted by LAs	4	3	12			Bid team selected by Project Director and PUK including mix of appropriate skills (including advisors)	PD	4	2	8	Ongoing	Apr-10		
P16	Officer(s) are perceived to have preconceived ideas of the 'best' solution	Lack of trust of bidder selection and solution selected	4	3	12			Agreed scoring criteria and evaluation Framework (Based on WAG Framework) Moderation of scores to ensure consistency of evaluation approach.	PD	4	2	8	Ongoing	Apr-10		
Scope Change – Material change in the scope of services required																

SC1	Material change in the scope of services required	Delay to procurement process of bidders withdraw from procurement due to uncertainties	4	3	12	Technical officer input on draft specification and approved as part of OBC by partner authorities	PM	Draft Specification will be subject to further member and officer review and input from stakeholders via use of focus groups etc.	PM	4	2	8	Ongoing	Apr-10		
Planning and permitting -ability to secure successful planning and permitting outcome for solution																
PS1	Regional Waste Plan is in conflict with potential solutions	Reduced Competition on bid process	4	3	12	Planning and Site Workstream has been set up to assist in reducing site and planning uncertainty and improve prospects for a positive planning outcome for the project.	PD			4	2	8	Ongoing	Apr-10		
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team are identifying sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s)	PD	Commence negotiations with land owners of (further) additional sites identified as potentially suitable for location of facilities with the aim of securing options/ heads of terms for sites.	PD	5	3	15	Ongoing	Apr-10		
PS6	There is a delay on obtaining planning permission (identified reference site)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	3	3	9			Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consulters. Site assessment and investigate works carried out by partnership.	PD	3	2	6	Ongoing	Apr-10		On identified reference site
PS7	There is a delay on obtaining planning permission (main site and additional site solution)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16			Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD	3	3	9	Ongoing	Apr-10		Main site and additional site (additional site not yet identified)
PS8	There is a delay on obtaining planning permission (alternative main reference site solution - non identified)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16			Early identification of potentially suitable alternative main site. Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD	3	3	9	Ongoing	Apr-10		On unidentified reference sites
PS9	Planning permission has onerous conditions	Sub-optimal solution, performance below required level, increased costs	3	3	9			Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD	3	2	6	Ongoing	Apr-10		Risks apply to all sites including those proposed by Contractor, not just Authority sites
PS10	Planning permission not secured even after appeal.	Diversion performance is below required level, excessive LAS penalties, increased costs	5	3	15			Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful planning outcome.	PD	5	2	10	Ongoing	Apr-10		Risks apply to all sites including those proposed by Contractor, not just Authority sites
PS11	Public opposition to technical solution/planning application including legal challenge	Delays to project delivery programme, excessive LAS penalties, affordability envelope threatened.	4	5	20			Active stakeholder and communications plan.	PM	4	4	16	Ongoing	Apr-10		Risks apply to all sites including those proposed by Contractor, not just Authority sites. Highly probable if EfW facility

PS12	Environmental Permit not secured in accordance with project programme	Project development costs exceed expectations, delays to project, excessive LAS penalties	4	3	12		Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful permit application.	PD	4	2	8	Ongoing	Apr-10		Technical exercise
PS13	Planning application from successful bidder fails to demonstrate Best Practicable Environmental Option (BPEO)	Unsuccessful planning application	4	4	16	To identify BPEO in Life Cycle Assessment (LCA) (Wizard) as part of OBC development, and to ensure supplementary measures employed to deliver sites and evaluation framework for procurement process, thereby supporting delivery of BPEO		PD	4	2	8	Ongoing	Apr-10		Technical exercise
Sites															
Sites	Site conditions are not as anticipated	Delay in project programme, excessive LAS costs, excessive Capex prices, possible threat to affordability	3	3	9	Technical advisors have been tasked to review site constraints	PD	Technical advisors to be instructed to carry out site investigative and EIA related studies prior to commencement of procurement	PD	3	2	6	Ongoing	Apr-10	On all sites
Sites	Single site not available for residual facility	Re-define the project, delayed, cost, etc	5	3	15	Initial reference solution site already identified		Further site identification work to be carried out prior to and including early stages of procurement process	PD	5	2	10	Ongoing	Apr-10	On identified reference site
Sites	One or more of the sites not available for some residual facilities	Re-define the project, delayed, cost, etc	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	Apr-10	Main site and additional site
Sites	One or more of sites not available for some TS facilities	Disproportionate costs on some partner authorities	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	Apr-10	On unidentified reference sites
Wastes															
W1	A Council fail to reach recycling targets or exceeds them significantly	Potential excessive project costs, threat to affordability, possible excessive LAS penalties if facilities under-sized.	2	3	6	Initial discussions already held on key payment mechanism and inter authority principles to describe risk and how costs will be assigned amongst the partner authorities for under/ over provision of waste tonnages as a result of under/over recycling/ composting performance against agreed waste profiles.	PD	Ongoing engagement and communication with partner authorities to understand proposed waste recycling and composting services so that tonnage profiles can be finalised prior to ISDS stage of the procurement process	PD	2	2	4	Ongoing	Apr-10	Councils likely to reach targets but 'significant' exceedance or underperformance unlikely
W2	Waste flow model is inaccurate due to incorrect assumptions	Possible re-bidding resulting in increased project costs, delays to project, possibly excessive LAS compliance costs	3	3	9	A number of sensitivities are being carried out to that the impact of differing assumptions used can be understood.	PD	Ensure that the waste flows can be modified through early stages of procurement (up to ISDS). "Headroom" to be built in- in terms of maximum / minimum tonnages to be agreed with bidders (dependent on their proposed solution)	PD	3	2	6	Ongoing	Apr-10	Model quite likely to have inaccuracies as dealing with a number of elements including both waste composition and tonnages. Schedule 2 issues.

W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15		Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis being delivered by WAG through WRAP. Initial work commencing in June 09. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.	PD	3	4	12	Ongoing	Apr-10		Technology specific. EfW less sensitive to waste compositional change.
W4	Potential changes in the legal definition of (currently) non-Municipal Solid Wastes such that they become the responsibility of the partnership authorities	Additional wastes may have to be accommodated in solution	3	2	6	Project team to continue monitoring WAG and UK Government Policy	PD		PD	3	2	6	Ongoing	Apr-10	
Performance															
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16		Ensure market deliverability demonstrated as part of procurement evaluation process.	PD	4	3	12	Ongoing	Apr-10		Electricity sound, ash uncertain. Project and market saturation dependant.
PE2	The selected technology fails to perform to required level (unreliable or poor performance)	Excessive LAS compliance costs, Environment Agency close facility, contractor defaults, need to modify the solution resulting in increased Capex	3	3	9		Ensure technical track record proven, adequate test of contractor operations experience and that contractor proposals are explored in detail and well understood.	PD	3	2	6	Ongoing	Apr-10		Natural outward selection of smaller incapable contractors due to affordability of high bid costs.
Contractor															
C1	Contractor default	Re-procurement and additional costs	5	3	15		Ensure track record of contractor, deliverability of proposal (as at reasonable commercial return to the contractor) understood. Those contractor proposals viewed as potential high risk of non-delivery will be marked accordingly in line with the evaluation framework	PD	5	2	10	Ongoing	Apr-10		Change in waste composition and demand is highly likely. Flexibility to tonnages and contract length needed for OJEU notice.

Key
PD Project Director
PM Project Manager
BD Barry Davies (FCC Monitoring Officer)

AGENDA ITEM NUMBER 5**NORTH WALES RESIDUAL WASTE TREATMENT PROJECT
PROGRESS REPORT****NORTH WALES RESIDUAL WASTE JOINT COMMITTEE****Date : 18th June 2010****Period: 2nd March 2010 to 11th June 2010****PROJECT SUMMARY**

To procure a sustainable waste management solution for the 5 local authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infraction penalties and meet National Waste Strategy targets.

PROJECT STATUS

Overall Project Status	
Green	OBC Scrutiny Panel meeting was held with WAG on 12 May. SP and one representative from the legal, financial and technical advisors were present. Feedback was received from WAG, with some additional financial sensitivities run as a result. Final decision expected mid June following Ministerial approval, in time for the Joint Committee on 18 June. Preparation for procurement well under way, PQQ documentation distributed for comment, and sessions held with technical officers on specification.

Budget status	
Green	Project Team is awaiting confirmation from WAG on additional RCAF funds prior to confirmation of final recharge to the partner authorities for 2009/10. Total project spend for 2009/10 is

Status	Meaning
Green	There are no problems; all is progressing well and to plan
Amber	There are some minor/ less significant problems. Action is

	needed in some areas but other parts are progressing satisfactory
Red	There are significant problems and urgent and decisive action is needed.

PROJECT UPDATE – Activities due for completion 2nd March 2010 to 11th June 2010 (and highlighted longer term actions).

ID	Activity	RAG status	Comments	Forecast	Actual
1	The requirement for and approach to the potential need for interim residual waste treatment capacity will be identified as part of the OBC development process	Amber	Discussions held between partner authorities on potential for partnership working on landfill contracts up to NWRWTP facility(ies) being on line – outside of project scope.	December 2009	June 2010
3	Finalised IAA	Amber	Signing expected week commencing 14 June 2010	April 2009	June 2010
5	Communication and engagement with stakeholders around the Deeside site	Amber	County Forum meeting attended in Flintshire 17 March. "Drop in" Sessions held near Deeside on 21, 22 and 23 April 2010.	14/15 December 2009	March and April 2010
7	Secure on going communication and engagement support for the project going forward into and through procurement	Amber	Evaluation of tenders complete, Project Board approval sought and received for appointment on 4 June 2010. Flintshire procurement to inform all tenderers.	February 2010	June 2010
8	Opinion survey across region	Green	Results received and meeting held with communication and Waste officers to discuss. Press release created, ready to issue at appropriate time.	January 2010	Late March 2010
10	Finalisation of evaluation	Green	Please note that the original timetable was	May 2010	

	framework and standard specification following Stakeholder engagement ready for Joint Committee approval		indicative and is now finalised.		
11	Procurement documentation ready for Joint Committee approval	Green	See Item 7 on agenda	May 2010	Early June 2010
12	Update position on sites and partner authority access to them prior to submission of OBC to WAG.	Green	The project team will work to gain access to sites up until the start of the procurement process. Verbal update on sites to be given at meeting.	12 March 2009	
13	WAG gateway review of project (prior to commencement of project).	Green	See item 6 on agenda	April 2010	April 2010
14	Submission of OBC to WAG	Green	OBC submitted on schedule on 9 April	9 April 2010	9 April 2010
15	Approval of OBC by WAG.	Green	Ministerial approval expected 15 June 2010. See item 8 on this agenda.	10 May 2010	15 June 2010
16	OJEU notice published	Green	See item 7 on this agenda	21 June 2010	July 2010
18	Complete planning health check	Green	Entec to action. Will need to be finalised for submission with OBC	End February 2010	Complete
19	Prepare Pre qualification evaluation framework	Green	First draft completed.	End May 2010	End May 2010
20	Prepare Pre qualification Questionnaire	Green	First draft Completed	End May 2010	End May 2010
22	Prepare 1st draft evaluation framework and agree elements that	Green	Sessions held with Technical officers	End May 2010	May and June

	would benefit from stakeholder input. e.g. importance of visual design, rail verses road.				
23	Deliver Member evaluation workshops in all five partner authorities.	Green	Sessions diaried for all five partner authorities' Members and invites sent out. Reminders to be sent out w/c 14 June 2010. New comms advisors to facilitate.	End May 2010	July 2010
24	Deliver external stakeholders evaluation workshops (e.g. FOE, EA)	Green	This will be lead by Entec & the communication advisors (facilitating). SO to organise dates with new communication advisors	End May 2010	July / August 2010
25	Prepare waste flow model for bidders	Green	Entec to carry out this work in using the latest waste data outturns in conjunction with the technical officers.	June 2010	June 2010
26	Prepare existing facility plans, license, permit data. Confirmation of title information and easements / constraints	Green	Entec have begun this work with partner authorities.	End July 2010	
27	Gather information and identify site specific requirements and additional works for existing partner authority facilities / sites.	Green	Entec have begun this work with partner authorities.	24 Sept 10	
28	Organise bidder day for 25 June 2010	Green	Bidder day provisionally diaried for 16 August 2010	Early June 2010	16 August 2010
29	Commission and receive result of project specific rail feasibility study.	Green	Initial working draft received which SP gave comments on. Study expected late	March 2010	June 2010

			June 2010.		
30	Commission Geotechnical Study, Ecological Study, Initial Air Quality effects Assessment, and heat demand study for Deeside site	Green	SP sought approval from Project Board on 4 June 2010 to commission the studies. Approval was given.	September 2010	
31	Commission works to mitigate planning risk as a result of Best Practical Environmental Option (BPEO) still being in force in Wales	Green	Sp tabled report to Project Board seeking approval to carry out works to help mitigate planning risk. The works are updating the Options Appraisal utilising the new WRATE2 model (previous model was WRATE). Secondly is to carry out a Strategic Environmental Assessment on the site selection work, rail access study, the North Wales Regional Waste Plan and the existing consultation work.		

KEY RISKS – See item 4 on this agenda.

AGENDA ITEM NUMBER 6

REPORT TO : **JOINT COMMITTEE**

DATE : **18 June 2010**

REPORT BY : **PROJECT DIRECTOR**

SUBJECT : **OUTCOME OF GATEWAY REVIEW**

1.00 PURPOSE OF REPORT

- 1.01 To update the Joint Committee on the outcome of the Gateway Review and to seek agreement for addressing the report's recommendations.

2.00 BACKGROUND

- 2.01 For all significant projects like the NWRWTP it is useful to carry out external audit and validation to ensure that the project is likely to succeed and to identify where corrective actions may be required. The Waste Procurement Programme Office (WPPO) section at WAG has previously published the Quality Assurance Regime that they will expect every residual waste treatment project in Wales to submit to. These stages include OBC approval, a health check prior to inviting detailed solutions, health check prior to the appointment of a preferred bidder and endorsing the FBC. As the sponsoring department within WAG the WPPO also requested that the NWRWTP be subject to a Gateway Review that would be available to WAG and taken into account with their consideration of the OBC. This was agreed and the gateway review was carried out during the period 19 - 22 April 2010.

3.00 CONSIDERATIONS

Gateway Review

- 3.01 Please see attached a full copy of the Gateway review report.
- 3.02 In summary the project was rated by the review team as Amber/Green. This is defined within the report as "Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery". The delivery confidence assessment reaches an overall view that the "Project is currently well placed to succeed".

3.03 Within the report the review team make a number of recommendations. The Table of recommendations is reproduced below together with proposed actions to address the recommendations.

Ref. No.	Recommendation	Critical/ Essential/ Recommended	Proposed actions to address concerns/ recommendations	Action by who
1.	That the Partnership possibly in conjunction with Wrexham develops, consults on and adopts a strategy for the region.	Essential Within 6 months	See detailed comment in sections 3.04 to 3.10 below.	
2.	That the Project Team should develop a contingent project plan providing for potential issues/delays which may arise through the planning process.	Critical	The Project team have already put in an additional contingent timeline within the project plan	SP/SO
3.	That the Project Team should develop a plan for dialogue encompassing organisational structures, roles/responsibilities and delegated authorities. This should also include appropriate mechanisms and protocols for communication and reporting.	Essential Within 3 months	The project team have commenced the planning of the procurement process to include the evaluation team, negotiation team and communication protocols. This will be reported to the September meeting of this joint Committee	SP/SO
4.	That the skill, experience and resource requirements for the procurement phase of the Project are identified (for both the Partnership and each individual Local Authority) and put in place before the	Essential Within 3 months	The project team will (as for the OBC stage) will prepare and issue a resource planner (and training needs assessment) that will identify key stages for the procurement with associated	SP/SO

	OJEU Notice is publicised and reassessed at key stages of the Project.		timetable and expected resource inputs. This will be reported to the September meeting of this joint Committee	
5.	Senior/leadership commitment will need to be maintained to ensure that sufficient time and energy is dedicated to this Project.	Ongoing	Lead Chief Executive to ensure that continues to “be on the agenda” for all partner authority CExs Project Board Representatives to ensure that the project is regularly reported on within their authority	CE Project Board Representative
6.	That the stakeholder management plan is completed, approved by the Partnership and implemented. It should include continued communication with the market.	Critical	The Communications plan will be reviewed and updated by the incoming external Communications and engagement advisor as an early task. This will be brought to this Project Board in and the Joint Committee for approval	SO

3.04 Specific Comment on recommendation 1 (That the Partnership possibly in conjunction with Wrexham develops, consults on and adopts a strategy for the region).

3.05 Within Wales Regional Waste Plans set out the overall framework to waste strategic approach (the North Wales Regional Waste Plan applies for the Partnership area). Produced by the North Wales Regional Waste Group, the Regional Waste Plan is a non-statutory document intended to provide a strategic land use planning framework for Local Development Plans and Development Control to enable the sustainable management of waste and recovery of resources in North

Wales. The document develops and implements Technical Advice Note (TAN) 21 Waste (2001) and is a material consideration in the planning process. This plan has been subject to public consultation and has been adopted by all of the partner authorities. The Project Director's understanding is that the Gateway Review recommendation is driven by the assessor's view that a joint municipal waste management strategy may reduce planning risk and therefore increase the likelihood of a successful project delivery. It should be noted that most gateway reviews on residual waste treatment project to date have been on English projects where municipal waste management strategies are a statutory requirement – this is not the case in Wales. The reviewers are correct in that a consistent policy context that is supportive of the project could assist in mitigating some aspects of planning risk.

Partner Authority Municipal Waste Management Strategies

- 3.06 In addition to the North Wales Regional Waste Plan each Partner Authority has an existing (Municipal) Waste Management Strategy. The project team and its advisors had already identified that these require review and update. This view is expressed within the OBC and associated planning health check document that was submitted to WAG. The suggested way forward as described within the OBC is that each partner authority reviews its existing Waste Management Strategy once WAG has published its final version of the National Waste Strategy and the associated "Municipal Sector Plan" has also been published.
- 3.07 At this point a number of choices may be available to each partner authority, to:-
- a) Review and update their existing individual Waste Management Strategy to ensure that it addresses the new National Waste Strategy and Municipal, Sector Plan and thereby reflect more closely the partnership approach;
 - b) Withdraw the existing Waste Management Strategy if no longer relevant (it is not a statutory obligation to have one)
 - c) Replace the existing Waste Management Strategy with an action plan that includes the partnership approach to managing residual waste.
- 3.08 Any such reviews or changes to the existing Waste Management Strategies would need to have been completed before submission of any planning applications for this project (target date September 2012). Thus there is time to agree an overall approach.

Opportunity for a joint approach

- 3.09 It may well be that there may be some interest among partner authorities in developing a wider partnership approach (not just to the provision of residual waste treatment services), as seems to be recommended by the gateway review. However this would need to include consideration of a joint approach to all the "front end" services

such as waste minimisation, re-use, recycling and composting services. This is outside of the scope of the NWRWTP project and existing governance arrangements. However the project team understands that the Lead Chief Executive for this project is also the lead officer for the newly formed North Wales Environment Programme Board and therefore opportunities may arise to develop partnership working across a wider range of waste services.

- 3.10 It is recommended that further discussions are held when the final form of the National Waste Strategy and Municipal sector plans are known (expected June/ July 2010).

RECOMMENDATIONS

- 4.01 To approve the proposed actions to address the recommendations as contained within the Gateway review.

5.00 FINANCIAL IMPLICATIONS

- 5.01 None

6.00 ANTI POVERTY IMPACT

- 6.01 None

7.00 ENVIRONMENTAL IMPACT

- 7.01 None

8.00 EQUALITIES IMPACT

- 8.01 None

9.00 PERSONNEL IMPLICATIONS

- 9.01 None

10.00 CONSULTATION REQUIRED

- 10.01 None

11.00 CONSULTATION UNDERTAKEN

- 11.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Contact Officer : Stephen Penny
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OGC Gateway™ Process
Review 1: Business justification

Version number: Draft 0.1

Date of issue to SRO: 22 April 2010

SRO: Colin Everett

Department: Environment

Authority: Flintshire Council on behalf of the North Wales Residual Waste Treatment Partnership

OGC Gateway™ Review dates: 19 - 22 April 2010

OGC Gateway™ Review Team Leader:
Tracey Lee

OGC Gateway™ Review Team Members:
Tom Booty
Bernard Warr

Project Title: North Wales Residual Waste Treatment Project**OGC Gateway™ ID: VW/10/03/G****Privacy Marking: UNCLASSIFIED****OGC Gateway Delivery Confidence Assessment**

<u>Delivery Confidence Assessment</u>	Amber/Green
<p>The Review Team finds that the Project is fundamentally well-managed. The Partnership has invested in a professional team who are experienced, motivated and skilled. The Project has very well developed documentation and robust governance arrangements.</p> <p>There is enthusiasm and commitment to the Project at both officer and councillor level. There is currently adequate staffing capacity. Stakeholder engagement is recognised as being a key task and will begin formally shortly.</p> <p>There is a pride in the project and a genuine passion for future collaboration across North Wales.</p> <p>The Outline Business Case (OBC) has been submitted to the Welsh Assembly Government (WAG) and it is expected that a response will be received in mid May. It is clear that significant effort went into the development of the OBC by officers, councillors and external advisors.</p> <p>On the assumption that the OBC will be approved, the Project Team now needs to prepare to enter the very challenging procurement phase that will require a range of different skill sets, and continued robust governance arrangements able to deliver timely decisions.</p> <p>The Project is currently well placed to succeed.</p>	

The Delivery Confidence assessment RAG status should use the definitions below.

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
Amber/Green	Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun
Amber/Red	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible
Red	Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project/programme may need re-baselining and/or overall viability re-assessed

Project Title: North Wales Residual Waste Treatment Project**OGC Gateway™ ID: VW/10/03/G****Privacy Marking: UNCLASSIFIED****Summary of Report Recommendations**

The Review Team makes the following recommendations which are prioritised using the definitions below.

Ref. No.	Recommendation	Critical/ Essential/ Recommended
1.	That the Partnership possibly in conjunction with Wrexham develops, consults on and adopts a strategy for the region.	Essential Within 6 months
2.	That the Project Team should develop a contingent project plan providing for potential issues/delays which may arise through the planning process.	Critical
3.	That the Project Team should develop a plan for dialogue encompassing organisational structures, roles/responsibilities and delegated authorities. This should also include appropriate mechanisms and protocols for communication and reporting.	Essential Within 3 months
4.	That the skill, experience and resource requirements for the procurement phase of the Project are identified (for both the Partnership and each individual Local Authority) and put in place before the OJEU Notice is publicised and reassessed at key stages of the Project.	Essential Within 3 months
5.	Senior/leadership commitment will need to be maintained to ensure that sufficient time and energy is dedicated to this Project.	Ongoing
6.	That the stakeholder management plan is completed, approved by the Partnership and implemented. It should include continued communication with the market.	Critical

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future. [Note to review teams – whenever possible Essential recommendations should be linked to project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]

Recommended – The programme/project should benefit from the uptake of this recommendation. [Note to review teams – if possible Recommended recommendations should be linked to project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]

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Privacy Marking: UNCLASSIFIED

Background

The aims of the project:

To procure a sustainable waste management solution for five Local Authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infringement penalties and meet National Waste Strategy targets.

The driving force for the project:

The driving force for the project is the EU Landfill Directive and in turn the Landfill Allowance Scheme, the Landfill Tax regime and the available landfill capacity.

The procurement/delivery status:

The Outline Business Case (OBC) for the joint procurement has been submitted to the Welsh Assembly Government (WAG) for approval and (should the OBC be approved) the publication of the OJEU notice is expected during the Summer.

Current position regarding OGC Gateway™ Reviews:

This is the first review of the Project.

Purpose and conduct of the OGC Gateway™ Review

Purpose of the OGC Gateway™ Review

The primary purpose of an OGC Gateway Review 1: Business Justification is to confirm that the Strategic Outline Business Case is robust – that is, in principle it meets business need, is affordable, achievable with appropriate options explored and likely to achieve value for money.

Appendix A gives the full purposes statement for an OGC Gateway Review 1.

Conduct of the OGC Gateway™ Review

This OGC Gateway Review 1 was carried out from 19 April 2010 to 22 April 2010 at the Technium Optic Centre, St Asaph, Denbighshire, LL17 OJD and at County Hall, Mold, Flintshire, CH7 6NB. The team members are listed on the front cover.

The people interviewed are listed in Appendix B.

The Review Team would like to thank the North Wales Residual Waste Treatment Project (NWRWTP) Team for their support and openness, which contributed to the Review Team's understanding of the Project and the outcome of this Review. The Review Team would particularly like to thank the Project Manager Steffan Owen for the compilation and provision of extensive background material and for organising the logistics for the review.

Findings and recommendations

1: Policy and business context

The Review Team found that the Project fits well with National policies, in particular the EU Landfill Directive. However, the Review Team noted that there was no joint waste strategy for North Wales.

Recommendation:

That the Partnership, possibly in conjunction with Wrexham develops, consults on and adopts a strategy for the region.

There was a high level of understanding of the strategic context and policy drivers for the Project. This was evident at officer level, and the Review Team were particularly impressed by the excellent understanding of the wider strategic context at Councillor level. This understanding has clearly led to a high level of ownership and enthusiasm for the project across all the constituent local authority partners. Despite differences in the structures, political make-up and location of the partner authorities, each is unequivocally committed to the Project.

The security of WAG's ongoing financial commitment, and the potential vulnerability of the Project to a change in waste strategy at National level, was a persistent concern, although the Review Team were satisfied that all reasonable measures were being taken to manage this risk. Indeed WAG are due credit for establishing clear requirements and guidelines for the project and communicating them effectively. This has enabled the Project to be developed with a clear focus and shared understanding of the desired outcomes, and has galvanised collaborative working between the authorities.

Another common concern was the Project's potential vulnerability to wider market conditions, such as the reliance on private finance in the current market, and the constant risk around the affordability of the project if gate fees increase as landfill options reduce. Again, it was felt that the risk exposure in this area was being well managed, and the Project Teams efforts to "future-proof" the project by considering potential threats to affordability such as increases in fuel costs and possible road pricing are to be commended.

2: Business Case and stakeholders

The OBC has been developed by the Partnership and after receiving formal approval from each of the five partner Local Authorities was submitted to WAG earlier this month. The OBC accurately and concisely sets out the business need for this project. A facility serving a broader regional area was considered but found to be impractical.

In parallel with the development of the OBC the partners have been developing an Inter Authority Agreement (IAA) and this is now in the process of being individually approved by each partner. This is scheduled to be completed by the end of April 2010 although this represents some challenge. However, notwithstanding this, the process to get the OBC and the IAA approved by all five partners has demonstrated an overall commitment to the joint approach and sharing of risk. The adoption of the universal gate fee concept is seen as an example of good partnership working.

Waste flow and financial modelling have been carried out by the advisors with appropriate officer challenge.

Affordability models have been produced for each of the partner Authorities and there is strong commitment from all to providing the necessary funding for the Project and its ongoing revenue cost. The impact of “doing nothing” has been assessed against the cost of the reference project and it is apparent that each Authority is comfortable that the proposals represent the most viable solution.

A draft stakeholder management plan is being developed and it is intended that all the partner authorities will input to and approve this. The Local Authorities understand the importance of good communications in particular where associated with potential sites.

3: Risk management

The Review Team observed a robust risk management regime within the Project. There is a clear allocation of risks to senior officers and a systematic approach to the assessment of dependencies and application of mitigation and escalation procedures.

As the Project moves into the procurement stage the management of the risk matrix will become very important to the success of the Project. A key risk underpinning the Project is in relation to the commitment of funding from WAG, particularly with the Environment Minister, a key driver behind the funding, standing down in the next election. This is particularly pertinent given the current financial and economic situation. The Project Team are aware that ongoing engagement with WAG will be vital.

There are also a range of potential issues that the Partnership is aware of, including but not limited to, the retention of key officers leading the procurement, market interest, site selection, possible planning challenge/delays, successful procedural challenge in relation to the procurement process, and the commitment of sufficient and adequate resources throughout the life of the Project. The Partnership is conscious of these issues and the risk register reflects that awareness with a suitable mitigation plan.

There is currently an excellent risk interface between the Partnership and WAG. The Review Team understands that the Project risk register is communicated to WAG on a six-monthly basis to ensure that individual project risks are noted and escalated when necessary at a Programme level.

4: Readiness for next phase – Delivery strategy

The current Project Team has moved the Project forward significantly over the past year, with particular credit due to the Project Director and Project Manager who appear to work as a cohesive team driving the Project forward. There is an overall view that the Partnership is working well as a collaborative team. Attendance and involvement at the Joint Committee meetings and Project Team meetings is well proportioned across the Partnership and effective governance exists both in substance and form.

A project plan is in place which is recognised as challenging but the Project Team are confident that they can deliver in line with the specified milestones. There is the risk of delays to the planning process such as the requirement for an enquiry. The implications of delays do not appear to be reflected in the project plan.

Recommendation:

That the Project Team should develop a contingent project plan providing for potential issues/delays which may arise through the planning process.

Experienced legal, technical and financial advisors have been successfully procured to support the Project, with additional marketing resources being procured at present. The Review Team notes that the current lack of a dedicated finance officer to the Project is currently being addressed. The working relationships to date between the five Local Authorities and each core discipline have been effective, including appropriate challenge by officers of external advisors.

As the Project moves forward towards procurement it will be essential that the Project Team is properly organised and structured to deliver an effective competitive dialogue. The Office of Government Commerce provides suitable guidance on this process.

It will be important that clear reporting structures are established to ensure that the officers within each discipline understand and communicate matters of importance back to their respective authorities. This will be particularly true in the case of key decisions such as selection of preferred bidder.

Recommendation:

That the Project Team should develop a plan for dialogue encompassing organisational structures, roles/responsibilities and delegated authorities. This should also include appropriate mechanisms and protocols for communication and reporting.

The Project is scheduled to publicise the OJEU notice (provided the OBC is approved) in June 2010. As the Project moves forward into the critical procurement phase, it will be important that sufficient resources are made available to the Project and that the various disciplines receive appropriate training and development to manage responsibilities. A resource plan should be based on a detailed programme of activities for the competitive dialogue, which should include dialogue meetings and all key milestones.

Recommendation:

That the skill, experience and resource requirements for the procurement phase of the Project are identified (for both the Partnership and each individual Local Authority)

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and put in place before the OJEU Notice is publicised and reassessed at key stages of the Project.

It is recognised that this Project is a key priority to the Partnership and each Local Authority at an individual level. Furthermore, this Project can be described as an example of effective collaboration across the five Local Authorities and that future joint working is highly likely to be based on the successful model of the Partnership. It will be important, as the Project moves forward, that senior/leadership commitment to the Project is maintained, particularly as competing priorities (on other collaborative projects) arise.

Recommendation:

Senior/leadership commitment will need to be maintained to ensure that sufficient time and energy is dedicated to this Project.

An important aspect of the procurement will be in creating and maintaining the interest of the market in the Project. There are already a number of competing schemes in the market and appropriate communication and stakeholder management will be very important to keep bidders committed. It is understood that a Stakeholder Management Plan is currently being drafted by a joint working group of marketing representatives across the Partnership and it is important that this is approved and implemented. As part of this, a factsheet to enable all stakeholders to reference when answering questions about the project would be beneficial to creating a unified approach.

Recommendation(s):

That the stakeholder management plan is completed, approved by the Partnership and implemented. It should include continued communication with the market.

The next OGC Gateway™ Review is expected at the preferred bidder stage in early 2012. We would expect this to be a Gateway 3 – Investment Decision.

APPENDIX A

Purposes of the OGC Gateway™ Review 1: Business justification

- Confirm that the Business Case is robust – that is, in principle it meets business need, is affordable, achievable, with appropriate options explored and likely to achieve value for money.
- Confirm that appropriate expert advice has been obtained as necessary to identify and/or analyse potential options.
- Establish that the feasibility study has been completed satisfactorily and that there is a preferred way forward, developed in dialogue with the market where appropriate.
- Confirm that the market's likely interest has been considered.
- Ensure that there is internal and external authority, if required, and support for the project.
- Ensure that the major risks have been identified and outline risk management plans have been developed.
- Establish that the project is likely to deliver its business goals and that it supports wider business change, where applicable.
- Confirm that the scope and requirements specifications are realistic, clear and unambiguous.
- Ensure that the full scale, intended outcomes, timescales and impact of relevant external issues have been considered.
- Ensure that the desired benefits have been clearly identified at a high level, together with measures of success and a measurement approach.
- Ensure that there are plans for the next stage.
- Confirm planning assumptions and that the project team can deliver the next stage.
- Confirm that overarching and internal business and technical strategies have been taken into account.
- Establish that quality plans for the project and its deliverables are in place.
- Confirm that the project is still aligned with the objectives and deliverables of the programme and/or the organisational business strategy to which it contributes, if appropriate.

APPENDIX B

Interviewees

NAME	FROM	ROLE
Colin Everett	NWRWTP	SRO, Chief Executive
Stephen Penny	NWRWTP	Project Director (Environment Directorate, Flintshire CC)
Steffan Owen	NWRWTP	Project Manager ((Environment Directorate, Flintshire CC)
Carl Longland	NWRWTP	Director for Environment, Flintshire CC
*Jonathon Bebb	Entec	Technical Advisor
Councillor Eryl Williams	NWRWTP	Denbighshire CC
*Huw Roberts	PUK	Transactor
*Tal Maynard (on behalf of Dawn Brace)	WAG	Head of Waste Programme
*Mike Read	Grant Thornton	Financial Advisor
Dilwyn Owen Williams	NWRWTP	Corporate Director, Gwynedd
Andrew Kirkham	NWRWTP	Head of Finance, Conwy
Kerry Feather	NWRWTP	Head of Finance, Flintshire
Barry Davies (supported by Louise Pedreschi)	NWRWTP	Head of Legal, Flintshire
Councillor Nancy Matthews	NWRWTP	Flintshire CC
*Neil Tindall	Pinsents Masons	Legal Advisor
Meirion Edwards	NWRWTP	Chief Waste Management Officer, Anglesey

* Telephone interview



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AGENDA ITEM NO: 7

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **18 JUNE 2010**

REPORT BY: **PROJECT DIRECTOR**

SUBJECT: **OJEU NOTICE AND PREQUALIFICATION DOCUMENTATION**

1. PURPOSE OF REPORT

- 1.1. The members of the NWRWTP Joint Committee are being asked to approve the OJEU notice and Prequalification documentation that will be utilised to commence the procurement process.

2. BACKGROUND

- 2.1. An OJEU (Official Journal of the European Union) notice is required to commence procurement of the NWRWTP project. In addition in order to ensure that a manageable number of potential bidders are invited to submit outline solutions a Pre Qualification procurement stage is utilised.
- 2.2. The Joint Committee is responsible for approvals of procurement documentation that will be utilised as part of the residual waste treatment procurement process.

3. CONSIDERATIONS

OJEU Notice

- 3.1. A draft OJEU notice was developed by the project team and its advisors and was circulated to and approved by partner authorities as part of the OBC approvals process. Approval of the OJEU notice was a reserved matter for each Partner authority). Only minor text changes have been made to this draft OJEU and have been subject to scrutiny by WAG as part of the OBC scrutiny process.
- 3.2. Key factors include :
 - 3.2.1. Range in contract length from 20 to 40 years
 - 3.2.2. Reference to other local authorities in North and Central Wales (so that other neighbouring authorities could access the contract in the future if the partnership should at some stage feel this desirable)
 - 3.2.3. Indicates the waste tonnage as approximately 150ktpa but reserves the right to amend this figure up or down.
- 3.3. See appendix 1 for a copy of the OJEU Notice



PQQ questionnaire and Initial Descriptive Document.

- 3.4. Once the OJEU notice has been published, (target date 1st week July 2010) those potential bidders expressing an interest will be sent a pre qualification questionnaire along with an initial descriptive document that will describe the procurement process, timetable, provide some information about the project and also instructions on how the PQQ should be completed.
- 3.5. The PQQ questionnaire is seeking to identify the following information
- 3.5.1. Company information (of the bidder or the bidder's consortium)
 - 3.5.2. Financial information (e.g. financial status of the company and experience in gaining finance for projects)
 - 3.5.3. Technical experience / track record in delivering similar projects (including gaining planning, building, commissioning and operation)
 - 3.5.4. Health and safety, Quality, equality policies, programmes and management systems etc.
- 3.6. At this stage it is envisaged that up to 8 bidders will be allowed to pre-qualify and be subsequently invited to Submit Outline Solutions.
- 3.7. An Initial Descriptive Document is provided to bidders to provide background information to bidders on the project. The information is based on that contained within the Outline Business Case.
- 3.8. The documentation may require minor refinements before final issue to bidders (including potential suggested changes from WAG and the project's transactor on the documentation). The Project Director is therefore seeking authority from the Joint Committee to make any required minor adjustments / refinements to the documentation before issue to bidders.
- 3.9. Procurement Documentation

See Appendix 2 for the Pre qualification questionnaire (PQQ)

See Appendix 3 for the Initial Descriptive Document

4. RECOMMENDATIONS

- 4.1. That members approve the OJEU notice, PQQ questionnaire and the Initial Descriptive Document.
- 4.2. That members authorise the Project Director to make minor amendments to the documentation before issue to bidders.

5. FINANCIAL IMPLICATIONS



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5.1. Not applicable

6. ANTI-POVERTY IMPACT

6.1. None

7. ENVIRONMENTAL IMPACT

7.1. Not applicable

8. EQUALITIES IMPACT

8.1. Not applicable

9. PERSONNEL IMPLICATIONS

9.1. Not applicable

10. CONSULTATION REQUIRED

10.1. Not applicable

11. CONSULTATION UNDERTAKEN

11.1. Not applicable

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Stephen Penny NWRWTP



Appendix 1 OJEU notice

UK-Flintshire: Refuse Services

CONTRACT NOTICE

Services

1. CONTRACTING AUTHORITY

1.5 NAME, ADDRESSES AND CONTACT POINT(S):

Official Name - Flintshire County Council.

Postal address – [Legal & Corporate Services, Corporate Procurement],
County Hall, Mold, CH7 6NB

Contact Point: Stephen Penny, Project Director.

E-mail: Stephen_Penny@flintshire.gov.uk.

Tel: 01352 704 914

Fax 01352 701727

Internet address(es):

General address of the contracting authority: www.flintshire.gov.uk

Further information can be obtained at: As in above-mentioned contact point(s).

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at: As in above-mentioned contact point(s).

Tenders or requests to participate must be sent to: As in above-mentioned contact point(s).

1.5 TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES:

Regional or local authority.

General public services.

Environment.

The contracting authority is purchasing on behalf of other contracting authorities: Yes.



2. OBJECT OF THE CONTRACT

1.5 DESCRIPTION

2..0 **Title attributed to the contract by the contracting authority:** North Wales Residual Waste Treatment Partnership PPP Contract

2..1 **Type of contract and location of works, place of delivery or of performance:**

Services.

Service category: No 16.

Main place of performance: North Wales although the specific place of performance within North Wales will depend on the solution proffered.

NUTS code: UKL UKL11 (Isle of Anglesey), UKL12 (Gwynedd), UKL13 (Conwy and Denbighshire), UKL23 (Flintshire and Wrexham)].

The notice involves: A public contract.

2..2 **Information on framework agreement:**

Not applicable.

2..3 **Short description of the contract or purchase(s):**

Flintshire County Council (for and on behalf of itself and Conwy County Borough Council, Denbighshire County Council, Gwynedd Council and Isle of Anglesey County Council and/or such local authority(ies) in north or central Wales (including but not limited to Powys County Council and Ceredigion County Council) as may join these authorities or may be substituted for one or more of these authorities), together the North Wales Residual Waste Treatment Partnership ("the **Partnership**"), are seeking, subject to value for money and affordability considerations, a contractor (or consortium) to enter into a long-term PPP contract for the provision of a solution for the treatment and disposal of the Partnership's residual waste (the "**Project**"). The Project is being supported by the Welsh Assembly Government ("**WAG**") with possible revenue support to be provided towards the annual payments for the service.

The Project may include, but is not limited to, the design, build, finance and/or operation of a waste treatment facility (or facilities) and waste transfer station(s) and/or a merchant waste treatment facility(ies) and or merchant waste treatment capacity ("**the Project**"). The Project is anticipated to include the handling of all treatment outputs, rejects and residues from the solution including (but not limited to) the marketing and sale of recyclable materials, compostable materials, other materials recovered, transfer, loading and onward transport to final destinations including the provision of landfill for residues to the extent necessary.

The Partnership reserves the right to explore with the applicants during the procurement process the potential for marketing any energy (heat and/or power and/or electricity) produced by the solution to neighbouring users and/or to the Partnership and/or to the National Grid and/or to other users. The procurement is not intended to include any of the collection or delivery functions to the solution. However as a matter of flexibility, the Partnership may wish to include some ancillary waste management services such as (but not limited to) construction and operation of waste transfer stations and bulking and haulage operations.



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Dependent on the solution proffered, the expectation is that financing for the Project will be predominantly, if not wholly, procured from private finance. However the Partnership reserves the right to adopt a contract structure that best meets its respective needs or to provide or procure capital contributions and/or finance for the Project from other sources including (but not limited to) prudential borrowing and/or the European Investment Bank.

The Partnership has identified a site within the ownership of the Partnership which is considered suitable and can be considered by the applicants when putting forward their solution, although the Partnership and applicants will be free to put forward other sites for the Project. The Partnership site is located at Deeside EM1 13 at Weighbridge Road, Deeside Industrial Park, Flintshire. The Partnership does not intend to specify a particular technology for the solution and will, therefore, consider any technology solution that meets the Partnership requirements which will be assessed in accordance with the evaluation criteria/methodology for the Project. The potential for the solution to cater for commercial and industrial waste as well as waste from other public sector organisations may be explored during competitive dialogue.

The Partnership will follow a lead authority model and Flintshire County Council will enter into the contract for and on behalf of itself and the other local authorities in the Partnership.

For further details refer to Sections II.2.1 and V.3.

2.4 Common procurement vocabulary (CPV):

Main object

Code	Description
90500000	Refuse and Waste Related Services
Additional objects	
90510000	Refuse Disposal and Treatment
90530000	Operation of a Refuse Site
90531000	Landfill Management Services
90513000	Non-hazardous Refuse and Waste Treatment and Disposal Services)
90514000	Refuse Recycling Services
45222100	Waste Treatment Plant Construction Work
45222110	Waste Disposal Site Construction Work



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Code	Description
09310000	Electricity
09320000	Steam, hot water and associated products
31682000	Electricity supplies
42914000	Recycling equipment
45111000	Demolition, site preparation and clearance work
45112350	Reclamation of waste land
45213270	Construction works for recycling station
45232470	Waste transfer station
45252000	Construction works for sewage treatment plants, purification plants and refuse incineration plants
45252300	Refuse – incineration plant construction work
45450000	Other building completion work
51135110	Installation services of waste incinerators
60513100	Household-refuse disposal services
90000000	Sewage, refuse, cleaning and environmental services
90512000	Refuse transport services
90513200	Urban solid – refuse disposal services
90513300	Refuse incineration services
90513400	Ash disposal services
90524200	Clinical – waste disposal services
905173300	Refuse incineration services

2..5 Contract covered by the Government Procurement Agreement (GPA):

Yes.

2..6 Division into lots:

No.

2..7 Variants will be accepted:

Yes.

1.5 QUANTITY OR SCOPE OF THE CONTRACT

2..0 Total quantity or scope:

The Partnership envisages a contract period of approximately 30 (thirty) years (to include a 5 (five) year build period) with an option to extend for 5 (five) years) however the actual contract period will be determined by best value



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considerations during the competitive dialogue procedure and may also be dependent on financial market conditions. For the avoidance of doubt, a 30 (thirty) year duration with an option to extend for 5 (five) years is indicative only and is not intended to specify the maximum or minimum length of the contract.

It is envisaged that the construction of the facilities may take up to 5 (five) years to complete depending on the chosen technical solution, and the services will be for a period of up to 25 (twenty-five) years following completion. In 2008-2009 approximately [335,500] tonnes of municipal waste were generated in the Partnership area. The Partnership estimates that around [150,000] tonnes per annum of residual municipal waste may be required to be treated through a residual waste treatment facility (but reserves the right to amend this figure up or down).

Estimated value excluding VAT: [] This is provided by way of estimate only and depends upon the solution put forward. The Partnership reserves the right to invite variant solutions and further details are set out in the [Information Memorandum][Descriptive Document] provided with the Pre-Qualification Questionnaire ("PQQ").

2..1 Options: Yes

The Partnership may discuss with the applicants during the competitive dialogue procedure the possibility of being granted option(s) to extend the Contract for a period of up to 5 (five) years (subject to the caveats outlined in Section II.2.1). The time duration in Section II.3 includes any possible extension but is subject to the caveats on duration in Section II.2.1.

1.5 DURATION OF THE CONTRACT OR TIME-LIMIT FOR COMPLETION:

Duration in months: 420 (from the award of the contract).

3. LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION

1.5 CONDITIONS RELATING TO THE CONTRACT

3..0 Deposits and guarantees required:

The Partnership reserves the right to require guarantees, parent company guarantees (in a form acceptable to the Partnership), direct agreements, deposits, bonds or other forms of appropriate security as it may require. Further details will be set out in the Project documentation.

3..1 Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them:

Payment and the payment terms and conditions will be set out in the contract and the payment mechanism. The contract and the payment mechanism will be based on the Defra/WIDP standard form residual waste treatment contract as further amended and approved by WAG to be relevant for Wales. The payment terms and conditions will be discussed with the applicants during competitive dialogue procedure and further information will be provided in the Project documentation.

3..2 Legal form to be taken by the group of economic operators to whom the contract is to be awarded:

Requests to participate will be accepted from groupings of economic operators (consortia). In the event of a successful consortium bid, the Partnership may specify that the consortium (and/or member of the consortium) takes a



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particular legal form and/or require that a single consortium member takes primary liability or that each member undertakes joint and several liability irrespective of the legal form adopted. Where a subsidiary company is used, the ultimate parent company may be required to provide a guarantee in respect of the performance of the Contract by the subsidiary before acceptance. Full details of the proposed contracting structures must be provided in the pre-qualification stage.

3.3 **Other particular conditions to which the performance of the contract is subject:**

Yes.

The successful applicant (and any consortium members and/or sub-contractors) will be required to actively participate in the achievement of social, economic and environmental regeneration of the locality of and surrounding the place of delivery of the Project. Accordingly contract performance conditions may relate in particular to social, economic, environmental or other corporate social responsibility considerations. Further details of these and any other conditions will be set out in the Project documentation.

1.5 **CONDITIONS FOR PARTICIPATION**

3.0 **Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers:**

Information and formalities necessary for evaluating if requirements are met: In accordance with Articles 45 to 50 of Directive 2004/18/EC and Regulations 23 to 25 of the Public Contracts Regulations 2006 and as set out in the PQQ.

3.1 **Economic and financial capacity:**

Information and formalities necessary for evaluating if requirements are met: In accordance with Article 47 of Directive 2004/18/EC and Regulation 24 of the Public Contracts Regulations 2006 and as set out in the PQQ.

Minimum level(s) of standards possibly required: As set out in the PQQ.

Technical capacity:

Information and formalities necessary for evaluating if requirements are met: In accordance with Articles 48 to 50 of Directive 2004/18/EC and Regulation 25 of the Public Contracts Regulations 2006 and as set out in the Pre-Qualification Questionnaire.

Minimum level(s) of standards possibly required: As set out in the PQQ.

3.2 **Reserved contracts:**

No.

1.5 **CONDITIONS SPECIFIC TO SERVICES CONTRACTS**

3.0 **Execution of the service is reserved to a particular profession:**

No.

3.1 **Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service:**

Yes.



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4. PROCEDURE

1.5 TYPE OF PROCEDURE

4..0 Type of procedure:

Competitive dialogue.

4..1 Limitations on the number of operators who will be invited to tender or to participate:

Envisaged minimum number: 3. Maximum number: 10

Objective criteria for choosing the limited number of candidates: As stated in the PQQ.

4..2 Reduction of the number of operators during the negotiation or dialogue:

Yes - Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated.

1.5 AWARD CRITERIA

4..0 Award criteria:

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document.

4..1 An electronic auction will be used:

No.

1.5 ADMINISTRATIVE INFORMATION

4..0 File reference number attributed by the contracting authority:

4..1 Previous publication(s) concerning the same contract: No

4..2 Conditions for obtaining specifications and additional documents or descriptive document Time limit for receipt of requests for documents or for accessing documents: []

Payable documents:

Terms and Method of payment: The E-Box Document portal will be used to distribute documents throughout the procurement process. Access during the pre-qualification stage is free – however from PQQ onwards there will be a monthly charge per user of approximately £20 GBP which will be payable directly to E-Box for the duration of the procurement process.

4..3 Time-limit for receipt of tenders or requests to participate:

16:00

4..4 Date of dispatch of invitations to tender or to participate to selected candidates: []

4..5 Language(s) in which tenders or requests to participate may be drawn up:

English



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4.6 **Minimum time frame during which the tenderer must maintain the tender:**

4.7 **Conditions for opening tenders:**

5. **COMPLEMENTARY INFORMATION**

1.5 **THIS IS A RECURRENT PROCUREMENT:**

No.

1.5 **CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY EU FUNDS:**

No.

1.5 **ADDITIONAL INFORMATION:**

In accordance with II.1.9, the Partnership may accept variant bids in addition to a standard bid as set out in the tender/contract documents provided the Partnerships core requirements are met and provided the variant is submitted in accordance with the tender/contract documents.

Applicants should note that it is very important to the Partnership that this Project be completed within the shortest possible timeframe. Applicants' ability to comply with the timeframes specified by the Partnership will be an important factor in the evaluation of the applicants' proposals at tender- evaluation stage.

Requests to participate must be made by completion and return of the Pre-Qualification Questionnaire by the date and time specified in Section IV.3.4 above and in accordance with the instructions set out in the Pre-Qualification Questionnaire and in the manner prescribed electronically via E-Box. Completed Pre-Qualification Questionnaires submitted after the deadline may not be considered.

For consortium bids, the information in Section III.2 must be supplied by each consortium member but the lead member should aggregate its members' details and submit this as a single application.

Applicants are advised that the Partnership is subject to the Freedom of Information Act 2000 (the "Act"). If an applicant considers that any of the information supplied as part of this procurement procedure should not be disclosed because of its commercial sensitivity, confidentiality or otherwise, they must, when providing this information, clearly identify the specific information they do not wish to be disclosed and clearly specify the reasons for its sensitivity. The Partnership shall take such statements into consideration in the event that it receives a request pursuant to the Act which relates to the information provided by the interested party. Please note, it is not sufficient to include a statement of confidentiality encompassing all the information provided in the response.

There may be a TUPE requirement associated with this contract.

Please note that all dates, time periods and figures in relation to values and volumes specified in this notice are approximate only and the Partnership reserves the right to change any or all of them.

The Partnership shall not be responsible for any costs, charges or expenses incurred by participants and accepts no liability for any costs, charges or expenses, irrespective of the outcome of the competition, or if the competition



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is cancelled or postponed. The Partnership reserves the right to not award any or part of this contract and to abandon this procurement at any stage.

1.5 PROCEDURES FOR APPEAL

5..0 **Body responsible for appeal procedures:** See Section V.4.2 below.

5..1 **Lodging of appeals:**

Precise information on deadline(s) for lodging appeals: In accordance with Regulation 32 (Information about Contract Award Procedures and the application of standstill period prior to Contract Award) and Regulation 47 (Enforcement of Obligations) of the Public Contracts Regulations 2006.

Service from which information about the lodging of appeals may be obtained:

1.5 DATE OF DISPATCH OF THIS NOTICE:

[].



Appendix 2 PQQ questionnaire

North Wales Residual Waste Treatment Project

PQQ for Residual Waste Treatment Services Contract

Pre-Qualification Questionnaire

Introduction

This Pre-Qualification Questionnaire (PQQ) assesses the technical capability and capacity, financial and economic strengths of organisations expressing an interest in bidding for the Project.

The Descriptive Document included in the Information Pack provides information about North Wales Residual Waste Treatment Partnership (The Authority) and the Project.

In this document the "**Consortium**" refers to the organisation/company or group of shareholding organisations that make up a bidding project consortium that would ultimately become the Project Company contracting with the Authority.

A "**Member Organisation**" is the term used to describe the individual organisations that constitute the Consortium. This would usually include the technology provider and operations and maintenance contractor.

A "**Relevant Organisation**" is the term used to describe all organisations connected with the bid. This includes:

- the shareholders, including **Third Party Equity Providers**
- the **Designer(s)**
- the **Advisers**; and
- the **Member Organisations**.

The Authority reserves the right to require some or all Consortia to clarify their submissions in writing. Any such request shall be made in writing to the Consortium or its nominated representative. Failure to respond adequately may result in that Consortium not qualifying.

The Authority will wish to be satisfied that, within the parameters of Regulations 23 - 29 of The Public Contracts Regulations 2006, each Consortium selected has the appropriate qualities and resources to undertake the Project and successfully meet the necessary requirements to design, build, finance and operate the relevant services.

The Authority reserves the right to reject any Consortium that fails to comply fully with the requirements of the selection process set out in this document or which is guilty of a serious misrepresentation in supplying any information requested.

Instructions

Consortia and Relevant Organisations must complete all sections of the PQQ, and supply any additional information as required. Where a section is not applicable this should be clearly stated. Failure to complete the PQQ will



automatically and immediately disqualify the applicant from this Project, and the Authority will undertake no further evaluation of the PQQ.

To ensure a fair and even handed assessment, please answer the questions in the spaces provided, using no smaller than 11-point fonts, unless otherwise provided for in the question and in English language. Answers should not exceed this length and additional pages should not be inserted unless specifically requested.

The layout of the PQQ has been designed to enable applicants to complete it as easily as possible and is organised as follows:

- General Information sections 1 – 6: Details of the Consortium as a whole
- General Information sections 7: Bid Evaluation Approach
- Sections A - B: Economic and Financial Standing
- Sections C – F: Technical and Performance
- Section G: Declaration and Non-Collusion
- Appendix A: Financial Reference Authorisation
- Appendix B: Prosecutions Relating to Waste Management Operations

The inclusion of an executive summary or a statement of reasons for selection is not required and will not be considered in the evaluation of the PQQ.

All sections should be produced as stand alone documents to allow for ease of assessment. Where there is insufficient space in the PQQ to provide the necessary response, please ensure that the information is included within the section and clearly referenced and numbered correctly.

Requested documents, but no further information, should be inserted at the end of the appropriate section rather than at the end of the document. Applicants must provide three paper copies and eight copies on CD ROM of their response.

Responses should be returned, marked for the attention of:

Flintshire County Council, Corporate Services, 3rd Floor, County Hall, Mold, Flintshire, CH7 6NA

Responses must reach The Authority **by 12 noon 29th September 2010** and must be clearly marked “FPxxx PQQ response for Residual Waste Treatment Services Contract”. Failure to use the forms enclosed will invalidate the response. The responses must be in a plain sealed package and marked “PQQ response for Residual Waste Treatment Services Contract” and returned by registered post or recorded delivery or delivered by hand when an official receipt must be obtained. The envelope/package containing the response documents must bear no mark or indication of the sender.

Any responses received after the date and time indicated will not be considered unless there is evidence that it was posted or dispatched early enough to be received in due time by the normal course of post or dispatch AND it is received before the other tenders have been opened.



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No responses received after the other Responses have been opened shall be considered but shall be rejected for late delivery and shall be immediately returned to the sender by the Authorised Officer and no details within such responses shall be recorded or disclosed.

Responses received other than strictly in accordance with the foregoing instructions will not be considered

Please note that if any of the information supplied in this Questionnaire changes in the ensuing evaluation period, the Relevant Organisation is required to notify the Authority accordingly.

You are invited to attend a **Bidders' Briefing Day in relation to the Project on 16 August 2010**. In the afternoon, it will be possible to inspect the reference site. Transport will be made available for those requesting it in advance, if possible, by **noon on the 9 August 2010**, by contacting Karen Powell on (01352) 703226. Those wishing to attend should complete the Bidders' Briefing Day Response Form given in the Information Pack and return to the address given above or e-mail to procurement@flintshire.gov.uk

General Queries

Should you have any general enquiries relating to these instructions or documentation please make them to Andy Argyle (Procurement Officer) at the following address:

General enquiries

Andy Argyle
Procurement Officer
Flintshire County Council
Corporate Services Directorate
County Hall
Mold
Flintshire
CH7 6NA
Tel: 01352 701814
Email: procurement@flintshire.gov.uk



General Information Details of the Consortium

To be completed on behalf of all Member Organisations making up the Consortium.

1	Consortium Name:	
	Address:	
	Telephone:	
	Fax:	
	E-mail:	

Consortium's Authorised Representative (person for contact purposes)

Name:	
Address:	
Telephone:	
Fax:	
Email:	

Declaration and certificate of non-collusion that must be signed by the Consortium are at the end of the document in Section G.

2 Status of Consortium

(a)	Single Candidate		Consortium		Other joint venture	
(b)	Already a Limited Company		To be incorporated		Not to be incorporated	

3 Where Consortium is already a limited company:

Registered Name:	
Current Trading Name:	
Previous Trading Names (if different):	



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Registered Address (if different to 1):	
Telephone (if different to 1):	
Fax (if different to 1):	
E-mail (if different to 1):	
Registered No:	
Year of Registration:	
Country of Registration:	

- 4 Indicate the Relevant Organisations that will undertake the following roles on the Project

Role	Name of organisations (full title)
Shareholding Companies	
Technology Supplier	
O&M Service Provider	
Architects, Designer(s) and other Technical Adviser(s),	
Legal Adviser	
Financial Adviser	
Insurance Adviser	
Other Companies(s)	

- 5 Provide an organisation chart showing internal relationships between the Consortium and Member and Relevant Organisations. State whether membership, roles and responsibilities will change during the PFI procurement, design, construction and operational phases of the contract.
- 6 Provide a statement that there are no grounds applicable to any Relevant Organisation pursuant to which a Bidder may be rejected under Regulation 23 of The Public Contracts Regulations 2006.
- 7 The Authority's preferred approach to the evaluation of bids for the procurement is as follows:
- Disclose all criteria and weightings for this Prequalification Questionnaire with the Initial Descriptive Document
 - Disclose all criteria and weightings for ISOS, ISDS, ISRF (if required) and CFT at ITPD.



Applicants shall indicate their acceptance of the approach or comment accordingly in the table below.

YES / NO
If no, please give details or reasons:



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A2 Name and contact details for person applying on behalf of the Lead Organisation:

Name:
Position in Organisation:
Address:
E-mail:
Telephone:
Mobile:
Fax:

A3 Specify the services that each Relevant Organisation will deliver.

Relevant Organisation	Services to be delivered
1.	
2.	
3.	
4.	
5.	



- A4 Please provide details of each Relevant Organisation's main areas of business and confirm (in the case of a company) that the objects set out in the Memorandum of Association include the provision of such services as are described within the Contract Notice. Please indicate the approximate turnover relating to each service area for each Relevant Organisation for the last three years.

- A5 (a) Provide an organisation chart and details of the relationship including details of any performance guarantees, between the Relevant Organisations and whether this may change during the design, installation and operational phases of the contract.



A5 (b) Please complete the table below setting out, in percentage terms, the anticipated split of costs between the Relevant Organisations or their guarantor (either costs borne or underwritten)

Relevant Organisation (or guarantor)	% of capital costs to be borne / underwritten	% of operating phase costs to be borne/underwritten
1.		
2.		
3.		
4.		
5.		
6.		
Total	100%	100%

A6 Provide details of the likely share holding of each Relevant Organisation in the service delivery vehicle for this project (where relevant).



Questions A7 to A16 are to be completed by the Lead Organisation and each Relevant Organisation on separate pages, where applicable.

A7 Name of Organisation.

--

A8 Provide details of registered office and registered number, VAT number and date of registration if a company or LLP organisation (public / private limited company, limited liability Council, or their equivalent, or other – please specify). If not a company, provide status of organisation, including details of the trading address. If based outside of the UK please provide equivalent information.

Registered Office:

Registration number:

Date of registration:

VAT Number:

Please enclose a copy of the Company Certificate of Incorporation (if applicable) and any certificate of incorporation on change of name or equivalent documentation applying in the relevant jurisdiction of the lead organisation.

A9 Names of Directors and Secretary (if a company)

Names of Partners (if a Council)

--



A10 If the Relevant Organisation is a limited company, or its equivalent, is it a subsidiary of another company? If so, provide details of the name of each holding or parent company.

A11 Provide details of any court and/or employment tribunal proceedings in which the Relevant Organisation has been involved in the last three years (company wide, not limited to specific service areas).

A12 Provide details of any such court and/or employment tribunal proceedings that are currently outstanding against the Relevant Organisation (company wide, not limited to specific service areas).

A13 Has the Relevant Organisation at any time:

(a) Being an individual:

- i) been made bankrupt, had a receiving order or administration order made against them,
- ii) made any composition or arrangement (whether formal or informal) with or for the benefit of their creditors or has made any conveyance or assignment for the benefit of their creditors or has had an interim receiver of their property appointed under Section 286 of the Insolvency Act 1986 or has been made the subject of an application for an interim order under Section 253 of the Insolvency Act 1986.

(b) Being a partnership or cooperative been involved in dissolution or termination;



(c) Being a partnership:

- i) entered into a voluntary arrangement under clause 4 of the Insolvent Partnership Order 1994 ("the Order"); or
- ii) had a petition presented to any court for its winding up under clauses 7 and 8 of the Order; or
- iii) had a petition presented to any court for an administration order under clause 6 of the Order; or
- iv) presented a petition for winding up under clauses 9 and 10 of the Order; or
- v) presented any joint bankruptcy petition under clause 11 of the Order.

(d) Being a company:

- i) passed a resolution for winding up or been subject to an order of the Court for winding up otherwise than for the purposes of a bona fide reconstruction or amalgamation, or been the subject of any voluntary arrangement under Part 1 of the Insolvency Act 1986 or had a receiver, manager administrator or administrative receiver on behalf of a creditor appointed in respect of the company's business or any part thereof; or

(e) Had a judgement debt of over £10,000 enforced against the Applicant; or

Is the subject of any similar procedure under the law of any other state under (a), (c), (d) and (e)?

1.5 Yes ☐ No ☐

If yes, please provide details.



A14 Has any proprietor, Director, partner or associate of any Relevant Organisation ever been subject to any process indicated in question A13 above?

Yes ☐ No ☐

If yes, please provide details.

A15 Has the Relevant Organisation, or any proprietor, director, partner or associate thereof ever in the course of his business:

- (a) Been convicted of a criminal offence relating to the conduct of that business, or
- (b) Committed an act of grave misconduct in the course of that business.

Yes ☐ No ☐

If yes, please provide details.



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A16 Please provide details of any prosecutions in the last 3 years against the Relevant Organisation, in relation to any of the provisions set out in Appendix 2 of this questionnaire.



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Section B Economic and Financial Information for each Relevant Organisation

Name of Applicant	
-------------------	--

B1 Name and contact details of the officer responsible for finance for the Relevant Organisation to whom financial queries can be directed.

Name:

Position:

Address:

E-mail:

Telephone:

B2 Name and Address of Bankers – You may be requested to provide written authority for The Council to approach your bankers for a reference – please confirm that the Council can obtain references from them, if required.

B3 Name and Address of Auditors– You may be requested to provide written authority for the Council to approach your auditor for verification of financial details and/or a reference – please confirm that references can be obtained from them, if required.



- B4 Provide two copies of the full annual report and audited accounts for each of the previous three financial years.

Accounts Attached	Yes / No
-------------------	----------

If three years accounts are not available please set out in the table below what financial information you have provided to demonstrate the robustness and financial viability of the Relevant Organisation

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- B5 If the most recent balance sheet is more than ten months out of date, please include a copy of the chairman's half-yearly statement (if available) and a statement signed by the director responsible for financial matters setting out any known significant changes in the current financial position from the last available balance sheet.

--

- B6 Where relevant please provide evidence of any company announcements made to the authorities of the stock exchange, market or bourse on which the stocks or shares of the organisation are publicly traded, since the date of publication of the last set of accounts.

--

- B7 Provide details of the Relevant Organisation's overall turnover and the turnover for services similar to those included in this contract for the previous three financial years.

Turnover	2009/10:	2008/09:	2007/08:
Overall Turnover			
Waste Treatment (PFI/PPP)			
Other Waste treatment turnover			
Other PFI/PPP Project (non-waste treatment) turnover			

- B8 Provide a statement, as at the last reporting date, of any contingent liability or loss (where not otherwise reported) that would require disclosure in accordance with International Accounting Standard 10. Provide a statement of any other material events, subsequent to the



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publication of the last audited accounts, which may be disclosed in the next audited accounts.

- B9 Please state if you wish your economic and financial standing assessment to be based on your parent company/group or a guarantor? A parent company guarantee will be required prior to contract award if the assessment is to be based on the parent company accounts.

The assessment is/is not* to be based on parent company/group accounts/guarantor.

A parent company guarantee is/is not* available. If yes, please provide details and letter of support from parent company.

Section B has/has not* been completed in relation to both the Relevant Organisation and the parent company.

* Please delete as appropriate

- B10 Provide a statement that the ownership of the organisation or change of structure of the organisation has not changed significantly over the past 12 months. Where applicable, please provide details.

- B11 Provide a statement that the Relevant Organisation has not been subject to a financial investigation by an accredited UK or EC regulator. Where applicable please provide details.

- B12 Provide details of any outstanding legal or financial claims the Relevant Organisation is subject to.



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- B13 Provide examples of structures / performance guarantees that you have provided on similar contracts to give comfort regarding the on-going performance of the Contract.

Insurance

- B14 Provide evidence of the Public Liability Insurance and Professional Liability or Indemnity Insurance for the Relevant Organisation. The evidence should include the name of the insurers, policy numbers, expiry date, and limits for any one accident and the excesses under the policy. Please provide copies of relevant insurance certificates.

	Employers Liability Insurance	Public Liability Insurance	Professional Liability or Indemnity Insurance
Name of insurers			
Policy numbers			
Expiry dates			
Limits for any one incident			
Excess limit			

- B15 Would you be willing to increase the value of cover if your current level is considered to be insufficient for the contract being applied for?

Yes ☐ No ☐

- B16 Provide details of experience in raising the finance required for a Contract of this size and scope. Information as to the form of that finance and, where the information is being provided by a Relevant Organisation, the role played by that Relevant Organisation in that project (i.e. Applicant, consortium member etc.).



Section C – Technical And Professional Ability

Questions C1 and C2 are to be completed by each Relevant Organisation, on separate pages, if applicable. Responses to this section should be no longer than 20 pages of A4. Please note information above 20 pages long will not be evaluated and scores may be impacted.

Project Experience

C1 Please provide details of up to five current or recent (those that may have terminated within the past 3 years) contracts for large scale infrastructure contracts or large scale waste management contracts in which each Relevant Organisation has performed, participated in, or those contracts where the Relevant Organisation has provided services comparable with its proposed role within a consortium within the UK, Europe and elsewhere. Please provide the full names and addresses of relevant client / customer contacts in order that references may be taken up.

Please copy this table within section C1 as many times as is necessary to provide details for each project.

Contract title	
Name of organisation	
Address of organisation	
Contact officer & Title Address Tel No. Email address	
Description of Relevant Organisation's role in Contract (e.g. Lead, Turnkey Supplier, Financier, Partial supplier, Licensor or Process integrator)	
Key sub-contractors/Organisations and roles within the Contract delivery	
Is the contract a PFI, PPP or other type of infrastructure or waste management contract? (Please state)	
Details of works and service provided including any specific waste experience	
Key facilities and technologies	



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used in the provision of works and services (please note Appendix 1 should be completed)	
Feedstock Description (attach composition where available):	
Design Capacity:	
Current Operating Throughput:	
Regulatory Authority (stating local office where appropriate):	
Contract value (£) Annual contract value (£) Annual Value for your element of Service (£)	
Funding raised and funding source	
Contract Start Date	
Contract Completion Date	

Answer those questions which are relevant to the service being described, marking the questions which are not relevant as 'N/A'.

Please repeat this table as required.



- C2** Please provide details of where the Relevant Organisations have managed sub-contractors to deliver elements of large-scale infrastructure or waste management projects.

--

- C3** Provide details of any Contracts to which the Relevant Organisation is a signatory over £10 million where there has been a failure to complete the contract on time or at all, or where there have been claims for damages, or where damages have been deducted or recovered, in either case only where the amounts exceed £1 million. Also details of any contracts terminated or employment determined. This statement should only take account of incidents in the past three years.

	Year 2007	Year 2008	Year 2009
Relevant Organisation:			
Failures to complete the Contract			
Claims for Damages			
Damages deducted or recovered			
Contracts terminated			
Employment determined			

- C4** Please also provide details of any successful prosecution against the organisation in relation to the contracted services and facilities described in C1 during the last 5 years (please indicate the magnitude of any fine, the duration of any prison sentence and the nature of the offence). Additional information should be provided at appendix 2.

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Technical Experience

Responses to this section (C5, C6 & C7) should be no longer than 15 pages in total of A4. Please note information above 15 pages long will not be evaluated and scores may be impacted.



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- C5** Please provide details, for the past five years only of the Relevant Organisation's experience in gaining and securing planning permission, relevant to the types of facility identified in Question C1 or for projects with similar public issues to similar scale residual waste treatment facilities. Information provided should include details of the planning authority, facility type and scale, location and date. If any of the planning applications were subject to objections or judicial review (or the equivalent in the jurisdiction of the relevant organisation) the details of how these issues were overcome should be included.

- C6** Please provide details, for the past five years only, of the necessary consents and permits the Relevant Organisation has obtained relevant to the types of facility identified in Question C1. Information provided should include details of the issuing authority, facility type and scale/capacity, length of application process, location and date of issue and expiry. If any of the applications were subject to objections or judicial review (or the equivalent in the jurisdiction of the relevant organisation) the details of how these issues were overcome must be included. Details of where consents or permits have been modified or withdrawn should be included.

- C7** What experience or involvement does the Relevant Organisation have in providing waste services, in the UK, Europe or overseas in the past five years?



--

Staff Experience

Questions C9 to C14 to be completed by each Relevant Organisation, on separate sheets, if applicable

- C8** Provide details of key persons who have experience in the development and provision of services relevant to the contract, and similar to those described in the Descriptive Document and who are likely to be involved in the management structure and/or running of the bid/project for the Applicant and state if these are different from those who will be involved in negotiations with the Partnership. Job titles/roles should be identified and a **one** page CV should be attached for the key people (e.g., Bid Manager, Planning Manager, Construction Manager etc).

--

- C9** Provide details of the bid teams nominated project manager for delivery of the project, including experience in team management and procurement negotiations. A CV for the nominated project manager should be attached.

--

- C10** Provide details of the ability of each of the identified key persons to allocate sufficient time to delivery of the project. Identify any existing or future potential time conflicts for each key person, particularly those prior to financial close and subsequently commencement of facility development and subsequent operations.



--

C11 Provide details for the Relevant Organisation showing:

	Permanent Full Time	Permanent Part Time	Casual
Managerial/Supervisory			
Operational			
Total staff employed			
Number of staff directly involved in waste management activities			

	2007	2008	2009
Details of staff turnover as a percentage of workforce for past 3 years			

C12 Provide details of the membership of relevant trade associations / professional bodies of both the Relevant Organisation and the staff identified in C10.

--

C13 Provide evidence of the public liability insurance and professional liability or indemnity insurance from the Relevant Organisation. The evidence should include the name of the insurers, policy numbers, expiry date and limits for any one accident and the excesses under the policy.

Name of Insurer	Policy Number	Expiry Date	Limit for any one Accident	Excess



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C14 Please provide, if possible, two examples of existing contracts where the organisation can provide demonstrable experience of the following activities:

Activity	Contracting Organisation	Contact at Contracting Organisation (including name, address & telephone number)	Details (including objectives, performance indicators and delivery)
Partnering	1		
	2		
Continuous Improvement	1		
	2		

Note: The Partnership at its discretion reserves the right to seek references from the named contracting organisations.



Section D – Experience of Working on Similar Projects

Questions D1 to D4 are to be completed by the Lead Organisation on no more than 5 pages of A4.

- D1** Provide details for the past three years as to whether the Relevant Organisation(s) have worked or are working together on other similar Public Private Partnerships or Private Finance Initiative projects within the EU. Disclose the date when the Relevant Organisation's involvement started and whether the scheme is at bidding stage, at Preferred Bidder, has reached financial close, has completed construction / installation, has been cancelled, or if none of these are applicable, the stage the scheme has reached.

--

- D2** If the Relevant Organisations are working together for the first time, please provide details of where new relationships are being formed to create an Applicant under this contract.

--

- D3** Identify any potential conflicts of interest that may arise if the Applicant were selected (taking into account all Relevant Organisations).

--

- D4** Provide a statement of any material pending or threatened litigation or other legal proceedings connected with similar projects against any Relevant Organisation that may affect the Applicant's ability to deliver on this project.

--



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Section E - Quality Assurance

The information requested in Section E to be provided by each relevant organisation.

- E1** Please confirm whether the Relevant Organisation are currently, or are in the process of becoming, accredited to International Standards Organisation (ISO) 9002, Investors in People (UK only) or other recognised or equivalent quality standard. Please state appropriate assessment level, and to which business functions the accreditation applies. Please enclose a copy of the certificate.

Certificate enclosed YES / NO



Section F Equal Opportunities

The information requested in Section F to be provided by each relevant organisation.

- F1** As an employer and service provider, do you follow the Race Relations Act 1976, and Race Relations (Amendment) Act 2000, and accordingly is it your policy and practice not to treat any person less favourably because of their colour, race, nationality or ethnic origin when you are recruiting, training or promoting employees and providing services to the public.

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F2** In the last 3 years, has any court or industrial tribunal found that your firm has discriminated against someone because of their race?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F3** In the last 3 years, has your organisation been investigated by the Commission for Racial Equality because of allegations of unlawful discrimination?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F4** As an employer, do you follow the Sexual Discrimination Act 1975, the Equal Pay Act 1975 and the Sex Discrimination (Gender Reassignment) Regulations 1999?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence



- F5** In the last 3 years, has any court or industrial tribunal found that your firm has discriminated against someone because of their sex, sexual orientation, religion or belief, or the level of pay you gave them?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F6** As an employer and service provider, do you follow the Disability Discrimination Act 1995?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F7** In the last 3 years, has any court or industrial tribunal found that your firm has discriminated against someone because of their physical or mental impairment?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F8** If the answer to question F2, F5, or, F7 is yes, or, in relation to question F3 the Commission made a finding against your organisation, what steps did you take as a result of that finding?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F9** Is your policy on equal opportunities set out in the following?

Instructions given to people you are recruiting, training and promoting?
Please tick the appropriate box.



YES	
NO	

Documents available to employees, recognised trade unions or other employee groups?

Please tick the appropriate box.

YES	
NO	

In job adverts?

Please tick the appropriate box.

YES	
NO	

Instructions given to sub-contractors/third parties providing services on your behalf?

Please tick the appropriate box.

YES	
NO	

F10 Please enclose a copy of your Equal opportunities Policy. Documents Enclosed?

Please tick the appropriate box.



YES	
NO	

Please provide appropriate evidence

- F11** Do you observe, as far as possible, the Commission for Racial Equality's Code of Practice for Employment (2005) as approved by Parliament in 1983, which gives practical guidance to employers and others on the elimination of Racial Discrimination and the promotion of Equality of Opportunity in Employment, including the steps that can be taken to encourage black and ethnic minority people to apply for jobs or take up training opportunities?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F 12** Is your company able to provide evidence of monitoring and promoting Equal Opportunities and adhering to all Equal Opportunities Legislation?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence of any monitoring undertaken

- F 13** Does your company have procedures in place to comply with the requirements of the Welsh Language Act 1993 (or as amended) when acting on behalf of public sector bodies?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- F14** Do you provide training for your staff in relation to equality legislation and awareness?

Please tick the appropriate box.



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YES	
NO	

Please provide appropriate evidence



Section G Health and Safety

The information requested in Section G to be provided by each relevant organisation.

To ensure an accurate assessment of your Company is made, please answer as many of the following questions as possible. Use additional sheets of paper if necessary.

- G1** Is your Policy as an Employer to comply with your statutory obligations under the Health and Safety at Work Act 1974 and the Factories Act 1961 together with subsequent associated regulations and approved Codes of Practice?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- G2** Does your organisation have a documented and implemented Health & Safety Policy? Please enclose a copy of your policy document.

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- G3** **Does your organisation have a recognised Health & Safety Manager?**
Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- G4** Have any of the following been served on your Company within the past three years by the Health and Safety Executive (HSE)

Improvement Notice

Please tick the appropriate box.

YES	
NO	

Prohibition Notice



NWRWTP

North Wales Residual Waste Treatment Project

Please tick the appropriate box.

YES	
NO	

Other Enforcement Notice

Please tick the appropriate box.

YES	
NO	

G5 If you answered yes to any points in Question E4 please provide details

--

G6 Please provide details of any prosecutions undertaken against your company or individuals employed by your Company for breaches of Health and Safety Legislation during the past five years.

--

G7 Please indicate whether your company is compliant with COSHH Regulations 2002 and PUWER 1998 Regulations

Please tick the appropriate box.

YES	
NO	



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Please provide appropriate evidence
Please note that we may ask further questions on health and safety.



Section H Environment and Sustainability

The information requested in Section E to be provided by each relevant organisation.

- H1** Please confirm whether the Relevant Organisation are currently, or are in the process of becoming, accredited to ISO 14001 or other recognised or equivalent environmental standard.

Please tick the appropriate box.

YES	
NO	

Please provide a copy of the certificate or other appropriate evidence

- H2** Does the Relevant Organisation have an environmental policy for any of the works and services likely to be provided within the proposed project?

YES	
NO	

Please provide appropriate evidence and state which part of the services the policy relates to.

- H3** Does the Relevant Organisation have a policy relating to Sustainable Development?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence

- H4** Within the last three years has any Relevant Organisation been prosecuted for breaching any UK or EU Environmental laws?

Please tick the appropriate box.

YES	
NO	

Please provide appropriate evidence including outcomes and details of any remedial actions taken or recommended

- H5** Within the last three years has any Relevant Organisation had any notice served upon it by any environmental regulator or authority?

Please tick the appropriate box.



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YES	
NO	

Please provide appropriate evidence including outcomes and details of any remedial actions taken or recommended.



Section I - Declaration and Non-Collusion

On completion of the questionnaire, please read and sign the declaration below.

I certify that the information supplied in the questionnaire is accurate to the best of my knowledge.

I also understand it is a criminal offence, punishable by imprisonment, to give or offer any gift or consideration whatsoever as an inducement or reward to any servant of a public body and that such action will empower the Authority to exclude the Consortium or Relevant Organisation from the selected list of bidders.

I agree that the Authority may, if it so wishes, make inspections of completed projects, the details of which will be provided if required by the Authority.

I hereby declare that I am authorised by the under mentioned Consortium and its member companies to supply the information given above and, at the date of signing, the information given is a true and accurate record.

Signed: _____

Name: _____

Position: _____

Date: _____

The declaration must be signed by an authorised signatory, in his/her own name, and for an on behalf of the Consortium and Relevant Organisations

Please return this form with your completed questionnaire.



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Certificate As To Non-Collusion

The essence of the public procurement process is that the Authority shall receive bona fide competitive tenders from all Bidders. In recognition of this principle, we hereby certify that this is a bona fide response to the Pre-Qualification Questionnaire and (except as authorised by the Authority in the Information Memorandum) we have not and insofar as we are aware neither has any Bidder Party (as defined in the Memorandum Information):

1. Entered into any agreement with any other person with the aim of preventing responses to the Pre-Qualification Questionnaire being made or as to the fixing or adjusting of the conditions on which any Pre-Qualification Questionnaire Response is made; or
2. Informed any other person, other than the person calling for this Pre-Qualification Questionnaire Response, of the nature or details of the Pre-Qualification Questionnaire Response; or
3. Caused or induced any person to enter into such an agreement as is mentioned in paragraph (1) above or to inform us of the amount or the approximate amount of any rival Pre-Qualification Questionnaire Response for the Contract; or
4. Committed any offence under the Prevention of Corruption Acts 1889 to 1916 or Section 117 of the Local Government Act 1972; or
5. Offered or agreed to 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 Pre-Qualification Questionnaire Response or proposed Pre-Qualification Questionnaire Response for the works any act or omission; or
6. Canvassed any other persons referred to in paragraph (1) above in connection with the Contract; or
7. Contacted any officer of the Authority about any aspect of the Contract including (but without limitation) for the purposes of discussing the possible transfer to the employment of the Bidder of such officer for the purpose of the Contract or for soliciting information in connection with the Contract.

In this certificate the word "person" includes any person, body or association, corporate or incorporate and "agreement" includes any arrangement whether formal or informal and whether legally binding or not.

(1) Signed: (2) Signed:

For and on behalf of:

For and on behalf of:

.....

Dated:



Appendix A – North Wales Residual Waste Treatment Contract - Financial Reference Authorisation

TO BE COMPLETED ON HEADED NOTEPAPER AND ADDRESSED TO YOUR PRINCIPAL BANKERS

Dear Sirs

You are hereby authorised to provide to North Wales Residual Waste Treatment Partnership upon request a financial reference in respect of our financial position and confirm that we will meet any costs associated with the provision of such a financial reference.

Yours faithfully

Appendix B - Prosecutions Relating to Waste Management Operations

[Please insert details of prosecutions relating to Waste Management Operations in this Appendix].



Appendix 3 Initial Descriptive Document