

Prosiect Gwyrdd

Procurement of:

A Residual Waste Treatment Solution for Municipal Waste

Invitation to Submit Final Tenders

The content of Sections 5.1.2 and 6.1.2 of this document complete with appendices 3,7,9 and 15 contains information which is exempt from publication under paragraphs 14 (information relating to financial or business affairs) and 21 (public interest test) of Schedule 12 A part 4 of the Local Government Act 1972.

It is viewed in the public interest to treat this Section as exempt from publication. Put simply, the rationale for this is that the information relates to commercial positions of third parties and if such information was released it would adversely affect the authority's ability to obtain best value in future procurements i.e. third parties would be discouraged from providing confidential information to public authorities if such information was to be released and participant's commercial bargaining position.

Therefore on balance, it is submitted that the public interest in maintaining exemption outweighs the public interest in disclosure.

Prosiect Gwyrdd

Contract for:

A Waste Treatment Solution
for Municipal Waste

Invitation to Submit Final Tenders

Contract Notice Reference 2009/S 227-326432

Date of First Issue: 20 December 2011

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DEFINITIONS

All defined terms shall have the meaning given to them below. For the avoidance of doubt Appendices 6, 7 and 8 have specific definitions that are relevant to those Appendices.

Term or Abbreviation	Definition
Anti-Collusion Certificate	the anti-collusion certificate to be completed and submitted by Participants when submitting a Solution
Associated Documents	all associated tender documentation, guidance, clarifications and project documentation issued by the Partnership and its advisors and any further information received via communication with the Partnership and its advisors and/or all information available on the Portal and the Data Room during the Competitive Dialogue Procedure
Authority	the Lead Contracting Authority acting on behalf of itself and all the Partners
Authority's Requirements	The Authority's (acting on behalf of itself and all the Partnership) description of the Partnership's minimum requirements for the Project and is also referred to as the Authority's Output Specification
AWC	Alternate Weekly Collection
Base Payment	the base payment is a payment calculated on a rate per tonne which is applied to the total tonnage of waste accepted by the Contractor in a contract year as more particularly defined in the Payment Mechanism
BMW	Biodegradable Municipal Waste
Bottom Ash	The residual material in the combustion chamber and consists of the non-combustible constituents of the waste.
BPEO	Best Practicable Environmental Option
BRE	Building Research Establishment
BREEAM	Building Research Establishment Environmental Assessment Method
Business Day	means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London
BVPI	Best Value Performance Indicator

CABE	Commission for Architecture and the Built Environment
CapEx	Capital Expenditure
CEEQUAL	Civil Engineering Environmental Quality
Checklist	the checklist to be completed and submitted by Participants when submitting a Solution
CHP	Combined Heat and Power
CIRIA	Construction Industry Research and Information Association
Competitive Dialogue	the dialogue phase of the Competitive Dialogue Procedure from distribution of the ISOS documentation until the Partnership closes the dialogue on or before submission of the Final Tenders
Competitive Dialogue Procedure	the procedure to be used by the Partnership to procure this Project as set out in Regulation 18 of the Public Contract Regulations 2006 and the EU procurement principles
Consortium Member	where the Participant is a consortium, any individual economic operator forming part of that consortium
Contract Notice	the contract notice published in the Official Journal of the European Union (reference number 2009/S 227-326432)
Contract Waste	Municipal waste arising from time to time in the Partnership's Administrative Area and delivered to the Contractor by or on behalf of the Partnership. Contract Waste does not include for the avoidance of doubt Third Party Waste and Substitute Waste
Contractor	the contractor who enters into the Project Agreement with the Lead Contracting Authority pursuant to this Project
CIWM	the Chartered Institution of Wastes Management
CQA	Construction Quality Assurance
Data Room	the data room managed by the Partnership by which the Participants may access documents relevant to this Project
DCfW	Design Commission for Wales
Defra	Department for Environment, Food and Rural Affairs

Descriptive Document	an updated copy of the IDD attached to the ISDS
DESH	Department for the Environment, Sustainability and Housing
Detailed Solutions	the Solutions to be submitted in response to the ISDS
DE&T	Department of Economy and Transport
Draft Final Tenders	the Solution to be submitted in response to this ISFT prior to close of dialogue
EA	Environment Agency
EAW	Environment Agency Wales
EfW	Energy from Waste
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EIR	Environmental Information Regulations 2004
EMS	Environmental Management System
EPA	Environmental Protection Act 1990
EPC	Engineering, Procurement and Construction
EU	European Union
Evaluation Methodology	the methodology to be followed by the Partnership when evaluating the Solutions as set out in the tender documents distributed at each stage of the Competitive Dialogue Procedure
E.W.C. Codes	European Waste Catalogue Codes as described by the List of Wastes (Wales) Regulations 2005
Executive Summary	the executive summary to be submitted by Participants when submitting a Solution (further details of which are found in section 4 of this ISFT)
Facility	the facility(ies) to be procured pursuant to the Project
FBC	Final Business Case
Final Tenders	the Solution to be submitted in response to this ISFT

	following close of dialogue
Financial Bid Forms	the forms required to be completed by the Participants and submitted as part of their Solutions
Financial Close	the anticipated date of the Project Agreement
FOIA	Freedom of Information Act 2000
Front End Rejects	Contract Waste that is unable to be processed within the Facility.
FRS5	Financial Reporting Standard 5
Gateway Review Team	Assigned group of sufficiently experienced personnel to conduct Gateway reviews as per the OGC guidance and best practice
HM Guidance	HM Treasury Value for Money Assessment Guidance
HMSO Publication Centre	Please see details as set out in section 3.1.3 of this ISFT
HM Treasury	Her Majesty's Treasury
HWRC	Household Waste Recycling Centre
Incinerator Bottom Ash (IBA) Recycling	IBA is considered recycled where it meets an approved product standard/end of waste criteria or a specific customer specification for reusing the material as a replacement to raw materials, IBA derived material is not considered recycled if it is disposed of or it is stored indefinitely without prospect of use.
IDD	Initial Descriptive Document
IFRS	International Financing Reporting Standards
IRR	Internal Rate of Return
ISDS	Invitation to Submit Detailed Solutions
ISFT	This Invitation to Submit Final Tenders issued by the Partnership to the Participants in accordance with the Competitive Dialogue Procedure
ISOS	Invitation to Submit Outline Solutions (which forms part of the ITPD)

ISRS	Invitation to Submit Refined Solutions
ITPD	Invitation to Participate in the Dialogue
IVC	In-Vessel Composting
Joint Committee	is the key body responsible for overseeing the Project and representing the interests of the Councils and its stakeholders. The Joint Committee is also responsible for monitoring Project progress and managing the political dimensions of the Project. The Joint Committee consists of two elected member representatives from each Council
JWA1	the joint working agreement that the Partnership has entered into to formalise their respective roles and responsibilities in relation to the joint working arrangements for the procurement of the Project
JWA2	a second joint working agreement (to be developed by Partnership in parallel with the Project Agreement) that will regulate the relationship between the Partners during the Works and the Services Period of the Project
Landfill Directive	European Union Landfill Directive 1999
LAS	Landfill Allowance Scheme (LAS) Regulations (Wales) 2004
Lead Contracting Authority	the Partner who will enter into the Project Agreement with the Contractor on behalf of the Partnership (to be confirmed later in the Competitive Dialogue Procedure)
Lead Procurement Authority	Cardiff Council will act as the lead Authority for the procurement process and shall be responsible for the negotiation of the Project Agreement with the Participants
Lead Participant	the lead organisation co-ordinating a Participant's Solution
Level 1, 2, 3 and 4 Criteria	The Primary, Sub and Sub-Sub Evaluation Criteria set out in the Evaluation Methodology
LFT	Landfill Tax
Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003	The Local Government Act 2003 sets out the framework for the current regime for local Authority capital finance. The Act is underpinned by the Local Authority (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) which provide more detail and specific requirements

Local Partnerships	The joint venture between the Local Government Association and HM Treasury
LTP	Lowest Tendered Price
M-BEAM	a modelling instrument developed by Defra for use to calculate mass balance waste flow
MBT	Mechanical Biological Treatment
MEAT	Most Economically Advantageous Tender
MRF	Materials Recovery/Recycling facility
MSW	Municipal Solid Waste
MWh	Mega Watts per hour
NPV	Net Present Value
OBC	Final form of the Outline Business Case prepared by the Partnership in October 2008 and updated by the 'Outline Business Case Health-Check Addendum' in May 2009
OGC	Office of Government Commerce
OpEx	Operating Expenditure
Optional Site	the site (Tatton Road, Newport) within the Partnership's control offered to Participants for consideration for use within their proposed Solutions
Outline Solutions	the Solutions submitted in response to the ISOS
Output Specification	The Authority's (acting on behalf of itself and all the Authority's) description of the Partnership's minimum requirements for the Project and is also referred to as the Authority's Requirements
Participant/ Participants	the organisations that were selected at the PQQ stage and invited to participate in the Competitive Dialogue Procedure
Participant's Team	the team bidding for the Project, including but not limited to, where the Participant is:- (i) a sole organisation (or a sole organisation supported by subcontractors that are not Significant Subcontractors) that sole organisation

	<p>(ii) a consortium, each Consortium Member</p> <p>(iii) a prime contractor, the prime contractor and each Significant Subcontractor</p> <p>(iv) a partnership, each member of the partnership</p> <p>(v) an incorporated company, the incorporated company</p> <p>(vi) a co-operative, the co-operative</p>
Partnership	Caerphilly County Borough Council ("Caerphilly CBC"), the County Council of the City and County of Cardiff ("Cardiff Council"), Monmouthshire County Council ("Monmouthshire CC"), Newport City Council ("Newport CC") and the Vale of Glamorgan Council (the "Vale of Glamorgan") (and each individually a "Partner")
Payment Mechanism	the draft payment mechanism, sets out the basis for calculating payments from the Partnership to the Contractor for delivering the Services in accordance with its obligations under the Project Agreement
PB	Prudential Borrowing
Performance Standards	the standards set out in the Authority's Requirements for the delivery of the Service
Planned Services Commencement Date	1st April 2016
PMF	means the Performance Measurement Framework (as set out in Appendix 6, Part 2)
Portal	the portal at www.etenderwales.bravosolution.co.uk which Participants must use to upload their Solutions and access the Data Room
PPP	Public Private Partnerships
PQQ	Pre-Qualification Questionnaire
PQQ Methodology	Pre-Qualification Methodology as set out within the PQQ
Preferred Bidder	the Participant whose Solution is chosen as the MEAT following submission of Final Tenders
Project	the procurement of the Facility pursuant to the terms of the Project Agreement

Project Agreement	the project agreement for the residual treatment of MSW to be awarded by the Partnership pursuant to the Project, a draft copy of which is attached as Appendix 7
Project Board	the organisation within the Partnership established to oversee the procurement process, more specifically described in the tender documentation
Project Director	Mike Williams who is employed to act on behalf of the Partnership or such other person notified by the Partnership to Participants from time to time
Project Team	the Partnership's team which is responsible for the day-to-day management of this Project on behalf of the Partnership including the Project Director
Reference Project	the Partnership's reference project as set out in the OBC
Refined Solutions	the Solutions to be submitted in response to the ISRS
Residual Waste	the elements of the waste stream that remains after recycling or compostable materials have been separated or removed
Response Document	the form of response document completed by Participants when submitting their Outline Solutions
Risk Allocation Matrix	the Partnership's allocation of risk as set out in the ITPD
ROC	Renewables Obligation Certificate
RPI	Retail Price Index
SDLT	Stamp Duty Land Tax
SDP	Service Delivery Plans
Services	the services to be provided in accordance with the Project Agreement
Significant Subcontractor	the proposed subcontractors which will be contributing significantly (either in terms of value or importance) to the Project as defined in the PQQ (only relevant where a subcontracting arrangement has been proposed by a Participant)
Site	the site(s) to be used by the Participant to undertake the Works and/or the Services as detailed in their Solution for

	the Project
Site Report	establishing the baseline condition of the Site(s) before commencement of construction for the purposes of permit application(s)
Solution	the Solution submitted by Participants throughout the Competitive Dialogue Procedure in response to the procurement documentation including for the avoidance of doubt, the Draft Final Tenders and Final Tenders
SoPC4	Standardisation of PFI Contracts Version 4 as updated or amended by HM Treasury
SPV	Special Purpose Vehicle
SRF	Solid Recovered Fuel
TAN 12	Technical Advice Note (Wales) 12 Design
TAN 21	(Planning Policy Wales) Technical Advice Note (Wales) 21
TIFU	Treasury Infrastructure Fund Unit
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UAT	Upper Affordability Threshold
UC	Unitary Charge
VAT	Value Added Tax
VfM	Value for Money
WG	the Welsh Government ("WG") (previously The Welsh Assembly Government)
WG Funding Criteria	the WG Funding Criteria which prescribes certain conditions that the Partnership must comply with during the procurement of the Project (Please see Appendix 16)
WG Healthcheck	A review of all commercial positions to ensure they meet the requirements of the Welsh Government.
WCA	Waste Collection Partnership
WDA	Waste Disposal Partnership

WEEE	Waste Electrical and Electronic Equipment
WET Act 2003	Waste Emissions and Trading Act 2003
WID	Waste Incineration Directive (2000/76/EC)
WIDP	Waste Infrastructure Delivery Programme
WPA	Waste Planning Partnership
WPPO	Waste Procurement Programme Office
WRATE	Waste and Resources Assessment Tool for the Environment

Note: Any references to any legislation include reference to any updates or amendments to the legislation.

1. INTRODUCTION

1.1 Introduction

- 1.1.1 A Contract Notice (reference 2009/S 227-326432) has been published in the Official Journal of the European Union on 23 November 2009, inviting expressions of interest from organisations wishing to enter into a contract with the Lead Contracting Authority (acting on behalf of itself and the Partnership) for the joint provision of a residual waste treatment and disposal solution in furtherance of the project known as Prosiect Gwyrdd (the "**Project**").
- 1.1.2 The Partnership comprises of the County Council of the City and County of Cardiff, Caerphilly County Borough Council, Monmouthshire County Council, Newport City Council and The Vale of Glamorgan Council and is one of a number of procurement partnerships for the treatment of residual waste supported by the Welsh Government.
- 1.1.3 The Partnership is carrying out this procurement under the Competitive Dialogue Procedure to procure the Most Economically Advantageous Tender which best meets the Partnership's requirements for the Project.

1.2 Invitation

- 1.2.1 The Partnership is now issuing this formal Invitation to Submit Final Tenders ("**ISFT**") to the shortlisted Participants who submitted the two (2) highest scoring Solutions following the Partnership's evaluation of the Participants' Detailed Solutions and subsequent clarifications. The Partnership, in its absolute discretion, does not consider it necessary to hold an ISRS stage during this procurement process.
- 1.2.2 The Solutions that have been selected to proceed to the ISFT stage are from the following Participants (in alphabetical order):-
- Veolia ES Aurora Ltd;
 - Viridor Ltd.
- 1.2.3 Please see section 4.12 for the deadline to submit the documentation.

1.3 Call for Final Tender stage

- 1.3.1 Please note that the distribution of this ISFT document does not mark the conclusion of the dialogue phase for the Competitive

Dialogue Procedure. The Partnership shall (in its absolute discretion) determine when dialogue shall be closed and Final Tenders requested.

- 1.3.2 The distribution of this ISFT represents the start of the ISFT stage and outlines the Partnership's requirements for the submission of the Final Tenders.
- 1.3.3 The submission requirements for the Final Tenders have been separated out into a two stage process - Draft Final Tender submission followed by the Final Tender submission. Recognising that the Final Tenders may only be requested following the formal closure of the dialogue process, the Partnership anticipates testing its readiness to close the dialogue process by requesting Draft Final Tenders prior to closing dialogue. The Draft Final Tenders and Final Tenders shall satisfy the submission requirements set out under this ISFT and the Associated Documents.
- 1.3.4 It is anticipated that all documents set out in the Checklist at Appendix 1 of this Checklist shall be submitted at the Draft Final Tender stage in an agreed form before dialogue is formally closed. The Final Tender submissions shall be limited to a small number of documents including the financial pro-formas and confirmation that the Draft Final Tender is in an agreed form. The Partnership does not anticipate a re-submission of the documents agreed as part of the Draft Final Tender as part of the Final Tender submission.
- 1.3.5 Please see section 4 of this ISFT for further details in relation to the submission of the Draft Final Tenders and the Final Tenders.

1.4 Outstanding Issues

- 1.4.1 Please be aware that the Partnership is under no obligation to discuss anything other than the specific points agreed with the Partnership as being outstanding during the evaluation of the Detailed Solutions and the formulation of the ISFT documentation (as more particularly described in sections 5, 6 and 7 of this ISFT). Participants are reminded that the Partnership has reserved the right to reject a Participant where there is any material change to a Solution and, in particular, where the Participant amends and/or withdraws any statement/position and/or introduces any new statement/position that is not consistent with the statements/positions included in the ISDS submission save to the extent agreed with the Partnership (in its absolute discretion) section 2.10.2 (f) of this ISFT.
- 1.4.2 The Participants are reminded that, following conclusion of the dialogue, the Partnership may only *"clarify, specify or fine-tune"* [the

Final Tenders]...*but such clarification, specification, fine-tuning or additional information shall not involve changes to the basic features of [the Final Tenders]...*" (Regulation 18(26) of the Public Contract Regulations 2006). Participants are referred to section 1.3.3 above and further reminded that the Partnership will strictly adhere to this policy and reserves the right to reopen the Competitive Dialogue Procedure if substantive issues are, in the opinion of the Partnership, raised following the closure of dialogue and the selection of the Preferred Bidder.

- 1.4.3 Participants must, therefore, ensure that the Draft Final Tenders and the Final Tenders contain *"all elements required and necessary for the performance of the Project"* (Regulation 10 of the Public Contract Regulations 2006). The Final Tender submitted will be regarded as unconditional and capable of acceptance.
- 1.4.4 For a Final Tender to be considered by the Partnership, the Participant should ensure that it is compliant with all the requirements and assumptions set out in this ISFT. The Partnership will then formally evaluate the Final Tenders pursuant to the Evaluation Methodology as set out in Section 8 of this ISFT.

1.5 The Structure of this ISFT

1.5.1 The ISFT is structured as follows:-

- (a) Sections 2 and 3 contain the important notices and general requirements to be followed by Participants throughout the Competitive Dialogue Procedure;
- (b) Section 4 contains additional requirements relating to the preparation and submission of the Final Tenders;
- (c) Sections 5, 6 and 7 provide further information on the submission requirements for each of the Level 1 Criteria: Financial and Commercial, Technical and Operational, Deliverability and Planning and Legal respectively; and
- (d) Section 8 contains the Evaluation Methodology to be followed by the Partnership when evaluating the Final Tenders.

1.5.2 Appended to the ISFT are the following documents:-

- (a) Appendix 1 contains the Checklists to be completed by the Participants;
- (b) Appendix 2 contains the Anti-Collusion Certificate to be completed by the Participants;

- (c) Appendix 3 contains the Participant Commentary Table to be completed by the Participants;
- (d) Appendix 4 contains the Bid Back List to be completed by the Participants;
- (e) Appendix 5 contains the Financial Bid Forms to be completed by the Participants;
- (f) Appendix 6 contains the Authority's Requirements;
- (g) Appendix 7 contains the Project Agreement;
- (h) Appendix 8 contains the Draft Payment Mechanism;
- (i) Appendix 9 contains the ISFT Financial Assumptions;
- (j) Appendix 10 contains the ISFT Technical Assumptions;
- (k) Appendix 11 contains the ISFT Forms;
- (l) Appendix 12 contains the Payment Mechanism Principles Paper;
- (m) Appendix 13 contains the Technical Pro-formas;
- (n) Appendix 14 contains the Instructions to Participants in relation to the WRATE Model;
- (o) Appendix 15 contains the Participant Insurance Response Matrices.
- (p) Appendix 16 contains the Welsh Government Grant Funding Criteria

1.5.3 If there is any inconsistency between the ISOS/ISDS and the ISFT documentation, the ISFT documentation shall take precedence.

1.5.4 The Partnership reserves the right to update any of the ISFT documentation including the Appendices to this document during the ISFT stage.

1.6 Project Overview

1.6.1 The Partnership comprises of the County Cardiff Council of the City and County of Cardiff, Caerphilly County Borough Council, Monmouthshire County Council, Newport City Council and The Vale of Glamorgan Council and has the following aims for the Project:

- A commitment to meet WG's targets for waste management set out in Towards Zero Waste for Municipal Waste Management in Wales June 2010;
- To minimise the environmental impacts of the Partners' residual waste management operations;
- To maximise economies of scale by working in partnership;
- To provide best value for the Partners' tax payers;
- To establish a sustainable, cost effective regional solution for the treatment of waste for the Partnership;
- To comply with the necessary terms and conditions associated with the approved WG funding.

1.6.2 The core objective of the Project is to procure a residual waste treatment solution to minimise waste consigned to landfill. The successful Solution shall enable the Partnership to meet the Landfill Allowance Scheme (LAS) Regulations (Wales) 2004 ("**LAS**") diversion targets throughout the Contract Period, as set out in the European Union Landfill Directive 1999 (the "**Landfill Directive**") and the Waste and Emissions Trading Act 2003 ("**WET Act 2003**").

1.6.3 The Partnership reserves the right to introduce a new local Authority partner or replace an existing Partner at any time during the Competitive Dialogue Procedure. Any such change to the Partnership is not anticipated to materially impact on the indicative Contract Waste tonnage assumptions set out in this ISFT.

1.6.4 Please note that not all of the background described at the ITPD stage in the Descriptive Document (at Appendix 3 of the ITPD) is repeated here and Participants are encouraged to review the Descriptive Document for further information (unless expressly superseded) on the Project.

1.7 Scope of the Service

1.7.1 The scope of the Services for the Project include the following:-

- Detailed design of the facility(ies);
- Provision of finance to build, operate and maintain the facility(ies);

- Application for planning permission, environmental permits and all necessary consents required for the construction and operation of the facility(ies);
- Construction and commissioning of the facility(ies);
- Acceptance of residual MSW at the facility(ies);
- Operation and maintenance of the facility(ies) for the duration of the Project Agreement which shall include the reception, treatment and/or recovery of contract waste in accordance with the targets and standards set out in this document;
- The management of storage, treatment, sale, removal and transportation of all products and disposal of all process residues and rejects from the facility(ies);
- The production and management of strategies to maintain the service in the event of the non-availability of any key aspect of the Solution;
- The responsibility for all employment and staffing matters relating to the delivery of the Solution;
- Any other ancillary services agreed as part of the Competitive Dialogue Procedure in accordance with the Partnership's Contract Notice.

1.7.2 For the avoidance of doubt, the following are not included within the scope of the Service of this Project:-

- any of the waste collection functions of the Partnership;
- the operation of source recycling and composting schemes, kerbside collection, HWRCs and existing disposal services or the development of any new facilities for these services;
- However, as a matter of flexibility, the Partnership may wish to include some ancillary waste management services such as (but not limited to) transfer stations and bulking and haulage operations provided the Partnership is satisfied such amendments to the Solution do not amount to a material change;
- For the avoidance of doubt, the exclusion of source recycling and composting schemes from the scope of the Project do not preclude Participants submitting Solutions based on recycling and/or composting on a site proposed by the Participant in its Solution.

- 1.7.3 The Services are clearly defined within the Authority's Requirements (Appendix 6 Part 1).
- 1.7.4 It is anticipated that approximately [176,219] tonnes per annum of Contract Waste may be required to be treated through the Facility. The Partnership proposes to guarantee a minimum payment based on [140,460] tonnes per annum of Contract Waste from the Service Commencement Date to the Facility. The figures are indicative only at this stage and may be increased or decreased by the Partnership during the Competitive Dialogue Procedure.
- 1.7.5 The Partnership may also be interested in proposals that make provision for the treatment of other third party waste sourced from within and/or outside of the Partnership's boundaries. The aim would be to increase the value for money benefit to the Partnership and to improve the overall diversion of waste from landfill.
- 1.7.6 As part of the ISOS and ISDS evaluation stages a number of key clarifications were issued to Participants. The Partnership expects Participants to be mindful of these clarifications when developing their Draft Final Tenders and Final Tenders. By way of example the following key clarifications were issued:

- **Planning and Permitting Timetable**

The timetable stated in the ISFT documentation is an indicative timetable. With, regards to planning the Project does not place any restrictions on the timing for any applications on any sites being made to the appropriate local Authority. It is for the Participant to decide the appropriate time when to prepare and submit any planning applications, with consideration to the Planned Service Commencement Date and the evaluation process for this Project.

It shall be the Participants responsibility to procure full planning permission for its Solution on the Contractor's Site. The Participants' responsibility shall include (but not limited to) the cost and time of preparing an EIA and any other assessments or studies that may be required and complying with any planning conditions/environmental permits.

Any costs or expenses incurred by any Participant or the Participant's Team or any other person will not be reimbursed by the Partnership and neither the Partnership nor any of their representatives or advisors (which shall include for the avoidance of doubt WG, DESH, WPPO, Local Partnerships or any Gateway Review Team) will be liable in any way to any Participant or any the Participant's Team or any other person for any costs,

expenses or losses incurred by any Participant or the Participant's Team or any other person in connection with this Competitive Dialogue Procedure.

• **Recycling of Materials**

The Project understands that the recycling of materials from the Contract Waste is acceptable after thermal treatment for the achievement of targets. In light of the launch of the Welsh National Waste Strategy on the 21st June 2010, the Partnership understands that WG are due to launch consultation in Autumn 2011 regarding guidance in support of:

- The Recycling, Preparation for Re-Use and Composting Targets (Definitions) (Wales) Order 2011; and
- The Recycling, Preparation for Re-Use and Composting Targets (Monitoring and Penalties) (Wales) Order 2011.

To date WG have confirmed that the IBA will contribute to the recycling targets, where it meets an approved product standard/end of waste criteria or a specific customer specification for reusing the material as a replacement to raw materials, IBA derived material is not considered recycled if it is stored indefinitely without prospect of use. The measurement of recycling has been the subject of much debate and remains subject to the outcome of the consultation from WG. For the purpose of this ISFT, it is to be assumed that the approach to be taken towards the measurement and calculation of recycling is as follows:

Subject to result of proposed WG consultation; the Contractor should assume that recycling rates are based on the overall recycling performance of the facility (including front end rejects that are not classified as Ad-hoc Waste). Also the weight of IBA that shall count towards the recycling rate shall be based on the reprocessed weight of IBA derived aggregate exported to market, not the weight of IBA leaving the waste treatment facility for reprocessing.

The Partnership reserves the right to revisit and further clarify this assumption during dialogue once the WG position on this issue is clarified.

• **Project Agreement**

For the purposes of the evaluation, please note that in the event of any inconsistency/conflict between your response to the legal submission requirements (as set out in Section 7) and other elements of your submission including without limitation your

technical and financial submissions, your response to the legal submission requirements will be deemed to take precedence.

1.8 The Partnership's Project Team

- 1.8.1 The Project Team is made up of the Partnership's internal project team and its external advisors. The Partnership reserves the right to change any of the members of the Project Team at any time during the Competitive Dialogue Procedure:-

Table 1.1 - the Partnership's Project Team

Project Team Name	Position Title	Role
Rob Quick	Senior Responsible Officer	Project Board Chair
Mike Williams	Project Director	Team Leader & Dialogue Lead
Marc Falconer	Finance Manager	Finance Manager & Dialogue
Andrew Williamson	Technical Manager	Technical, Planning & Dialogue
Ian Evans	Procurement Manager	Procurement Management & Dialogue
Sian Humphries	Lead Legal Officer	Legal Advice & Project Assurance
Jenna Pritchard	Legal Officer	Legal & Dialogue Support
Ian Lloyd Davies	Communications Officer	Stakeholder and Media Engagement
Victoria Thorne	Project Control Officer	Process Controller & Dialogue Support
Elizabeth Lucas	Lead Procurement Officer	Procurement advice & Project Assurance
Jason Conibeer	Project Administrator	Team Support & Communications

1.8.2 The External Project Team - the External Advisors

Table 1.2 - the External Advisors

Advisors	Details
Legal	Pinsent Masons LLP
Financial	Grant Thornton UK LLP
Technical and Planning	Jacobs Engineering Ltd
WPPO Transactor	Local Partnerships UK
Insurance	Willis

1.9 Contact Details for Queries

- 1.9.1 Save as expressly provided otherwise in this ISFT, all queries in respect of this process and the Project must be made through the Value Wales e-Tendering Portal www.etenderwales.bravosolution.co.uk and addressed to the Project Director, enquiries may be made until **[Monday 14 May 2012]**.
- 1.9.2 All stages of the Competitive Dialogue Procedure will be conducted through the Value Wales e-Tendering Portal: www.etenderwales.bravosolutions.co.uk

1.10 Indicative Procurement Timetable

Table 1.3 - Indicative Procurement Timetable

Activity	Indicative Timetable
Assessment and further Dialogue (if applicable)	TBC
Close Dialogue & Call for Final Tenders	Friday 19 th October 2012
Deadline for Participants to submit any requests for clarification (if required)	Friday 19 th October 2012 (12:00:00)
Deadline for submission of Final Tender	Friday 26 th October 2012 (12:00:00)
Evaluation of the Final Tender	TBC
Preferred Bidder Appointment	TBC
Financial Close	Wednesday 31 st July 2013
Planned Services Commencement Date	1st April 2016

1.10.1 The Partnership reserves the right to amend the timetable or extend any time period as it sees fit (including, but not limited to, any details relating to meetings set out in this ISFT).

1.10.2 Please note, that the Partnership require all information (including but not limited to questions and/or papers) to be discussed at a dialogue meeting to be submitted to the Partnership at least three (3) Business Days before the date of the dialogue meeting.

1.11 Meetings at the ISFT stage of the Competitive Dialogue Procedure

1.11.1 The schedule and frequency of ISFT meetings shall be agreed with each Participant during the ISFT dialogue phase. This will include full team and stream specific meetings. The Partnership anticipates holding the initial ISFT full team dialogue meeting during the week commencing 9 January 2012.

- 1.11.2 Each Participant may be asked to provide a presentation and question and answer session to the Dialogue Team. Details of specific dates, times, venues and agendas for each round of meetings will be communicated to Participants in due course via the Portal. For the avoidance of doubt, the Partnership reserves the right to amend the schedule and content of the presentation at any time.

2. IMPORTANT NOTICES

2.1 Introduction

- 2.1.1 The Important Notices section shall be deemed to be repeated at each and every stage of the Competitive Dialogue Procedure and shall, for the avoidance of doubt, apply to all further information and documentation provided or made available as part of this Competitive Dialogue Procedure. Participants shall be responsible for ensuring that their Solutions comply with the requirements set out in this ISFT and the Associated Documents.

2.2 Participant's Warranties

- 2.2.1 In submitting its Solutions, the Participant warrants, represents and undertakes to the Partnership that:-
- (a) all information, representations and other matters of fact communicated (whether in writing or otherwise) to the Partnership by the Participant, its staff, agents or advisors in connection with or arising out of the ISFT and/or the Associated Documents are true, complete and accurate in all respects, both as at the date communicated and as at the date of submission of the Solution;
 - (b) it has made its own investigations and undertaken its own research and due diligence and has satisfied itself in respect of all matters (whether actual or contingent) relating to the ISFT and the Associated Documents and that it has not submitted its Solution in reliance upon any information, representation or assumption which may have been made by or on behalf of the Partnership (save in respect of any information which is expressly warranted by the Partnership under the terms of the Project Agreement); and
 - (c) it has full power and Partnership to respond to this ISFT and the Associated Documents and to perform the obligations in relation to this Project and will, if requested, produce evidence of such to the Partnership's reasonable satisfaction.
- 2.2.2 Participant's acknowledge that the confirmation provided in the Executive Summary for each Solution that any statement made in the PQQ, ISOS and ISDS submissions remains true and accurate in all material respect save to the extent specifically disclosed in the Draft Final Tenders and Final Tenders and highlighted in the Executive Summary. Please see section 4 for further information.
- 2.2.3 Where there is a change to the information provided to the Partnership at any time the Participant must advise the

Partnership as soon as practicable, even if this is after the date of submitting the Solutions, and disclose such changes in full.
Please see sections 2.11 and 2.13 for further information.

2.3 Confidentiality

2.3.1 Subject to the exceptions referred to in section 2.3.3 below, the ISFT and the Associated Documents are being made available by the Partnership on condition that:-

- (a) Participants shall at all times treat the ISFT and the Associated Documents as confidential;
- (b) Participants shall not disclose, copy, reproduce, distribute or pass the ISFT and the Associated Documents to any other person at any time or permit the occurrence any of the forgoing;
- (c) Participants shall not use the ISFT and the Associated Documents for any purpose other than for the purposes of preparing (or deciding whether to prepare) a Solution for participating in the Competitive Dialogue Procedure; and
- (d) Participants shall comply with the provisions of section 2.9 (which contains restrictions on publicity activity within any section of the media or similar).

2.3.2 Participants shall ensure that each member of the Participant's Team who receives any of the ISFT information and the Associated Documents is made aware of, and complies with, the provisions of section 2.3 as if they were a Participant.

2.3.3 Participants may disclose, distribute or pass the ISFT and the Associated Documents to another person (including, but not limited to, for example, employees, consultants, subcontractors or advisors to the Participant, the Participant's insurers or the Participant's funders) if either:-

- (a) this is done for the sole purpose of enabling a Solution to be prepared and the person receiving the ISFT and the Associated Documents undertakes in writing to keep the ISFT and the Associated Documents confidential on the same terms as set out in this ISFT and the Associated Documents; or
- (b) the Participant obtains the prior written consent of the Partnership in relation to such disclosure, distribution or passing of the ISFT and the Associated Documents.

- 2.3.4 The Partnership may disclose detailed information relating to the Solutions to the Partnership's Councillors, directors, officers, employees, agents or advisors (which shall include, for the avoidance of doubt, WG, DESH, WPPO, Local Partnerships or any Gateway Review Team) and they may make the key documents relating to the Solutions available for private inspection by the Partnership's Councillors, directors, officers, employees, agents or advisors (which shall include, for the avoidance of doubt, WG, DESH, WPPO, Local Partnerships or any Gateway Review Team).
- 2.3.5 The Partnership also reserve the right to disseminate information that is materially relevant to all Participants, even if the information has only been requested by one Participant, subject to the duty to protect any Participant's commercial confidence in its Solutions. Should Participants wish to avoid such disclosure (for example, on the basis that the request contains, or the likely response will contain, commercially confidential information or may give another Participant a commercial advantage) the request must be clearly marked "In confidence - not to be circulated to other Participants" (on the front page of the document) (and by also marking each relevant page of the document "commercially confidential"). The Participant must set out the reason or reasons for the request for non-disclosure to other Participants.
- 2.3.6 The Partnership will act reasonably as regards the protection of commercially sensitive information relating to the Participant, subject to the Partnership's duties under the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

2.4 Accuracy of the ISFT and the Associated Documents and Liability of the Partnership and their Advisors

- 2.4.1 The ISFT and the Associated Documents have been prepared by the Partnership in good faith but do not purport to be comprehensive or to have been independently verified. Participants should not rely on the detailed information contained in the ISFT and the Associated Documents and should carry out their own due diligence checks and verify the accuracy of the detailed information contained in the ISFT and the Associated Documents. Nothing in this ISFT and the Associated Documents is, or should be construed as, a promise or representation as to the future.
- 2.4.2 Participants considering entering into a contractual relationship with the Partnership should make their own enquiries and investigations of the Partnership's requirements beforehand. The subject matter of this ISFT and the Associated Documents shall

only have contractual effect when it is contained in the express terms of the executed Project Agreement.

- 2.4.3 None of the Partners, the Partner's Councillors, directors, officers, employees, agents or advisors (which shall include, for the avoidance of doubt, WG, DESH, WPPO, Local Partnerships or any Gateway Review Team) make any representation or warranty as to, or (save in the case of fraudulent misrepresentation) accept any liability or responsibility in relation to, the adequacy, accuracy, reasonableness or completeness of the ISFT and the Associated Documents or any part of it (including but not limited to loss or damage arising as a result of reliance by the Participant on the ISFT and the Associated Documents or any part of it).
- 2.4.4 This invitation to participate in dialogue by the Partnership does not imply that the Participant has satisfied the Partnership regarding any matter raised during any previous stages, and the Partnership makes no representations or warranties regarding the Participant's financial status, technical competence or ability in any way to carry out the contract.
- 2.4.5 No offer or Draft Final Tender or Final Tender is deemed accepted until the relevant contractual documents have been duly signed on behalf of the Partnership, the Preferred Bidder and all other relevant parties and declared unconditional. No dialogue or communication with the Partnership whether prior to, during or subsequent to the Competitive Dialogue Procedure (including any notification of Preferred Bidder status) will imply acceptance of any offer or constitute an indication that the Participant will be awarded the contract. Only the express terms of the Project Agreement which is finally agreed and signed for and on behalf of the relevant parties and which is duly declared unconditional shall have any contractual effect.

2.5 Conflicts of Interest

- 2.5.1 The Partnership requires all actual or potential conflicts of interest to be resolved to the Partnership's satisfaction prior to the submission of a Solution in response to this ISFT and the Associated Documents. Failure to declare such conflicts and/or failure to address such conflicts to the reasonable satisfaction of the Partnership may result in a Participant being disqualified. Please complete Form 4 in Appendix 11 (ISFT Forms).

2.6 Canvassing

- 2.6.1 The Partnership reserves the right to disqualify (without prejudice to any other civil remedies available to the Partnership and without prejudice to any criminal liability which such conduct by a

Participant or a member of the Participant's Team may attract) any Participant or member of the Participant's Team who, in connection with this ISFT or any Associated Documents:-

- (a) offers any inducement, fee or reward to any Councillor, officer or other employee of the Partnership or any person acting as an advisor for the Partnership in connection with this ISFT or any Associated Documents;
- (b) does anything which would constitute a breach of the Prevention of Corruption Acts 1889 to 1916 or Section 117 of the Local Government Act 1972 (as amended);
- (c) canvasses any Councillor, officer or other employee of the Partnership or any person acting as an advisor for the Partnership in connection with this ISFT or any Associated Documents; or
- (d) contacts any Councillor, officer or other employee of the Partnership prior to financial close about any aspect of the ISFT or any Associated Documents in a manner not permitted by this ISFT (including without limitation contact for the purposes of discussing the possible transfer to the employment of the Participant of such Councillor, officer or other employee) or any Associated Documents.

2.7 Non-Collusion

2.7.1 The Partnership reserves the right to disqualify (without prejudice to any other civil remedies available to the Partnership and without prejudice to any criminal liability which such conduct by a Participant may attract) any Participant who, in connection with this ISFT or any Associated Documents:-

- (a) fixes or adjusts the amount of its Solution by or in accordance with any agreement or arrangement with any other Participant or member of the Participant's Team (other than a member of its own consortium or supply chain);
- (b) enters into any agreement or arrangement with any other Participant or member of the Participant's Team to the effect that he shall refrain from submitting a Solution or as to the amount of any Solution to be submitted;
- (c) causes or induces any person to enter such agreement as is mentioned in either section 2.7.1(a) or 2.7.1(b) or to inform the Participant or member of the Participant's Team of the amount or approximate amount of any rival Solution;

- (d) offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Solution or proposed Solution for the works and/or services or any act or omission; or
- (e) communicates to any person other than the Partnership the amount or approximate amount of their proposed Solution (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a Solution).

2.7.2 Participants and each member of the Participant's Team are required to return the Anti-Collusion Certificates set out in Appendix 2 of this ISFT when submitting their Solutions.

2.8 Intellectual Property

- 2.8.1 The copyright in this ISFT and the Associated Documents is vested in the Partnership. This ISFT and the Associated Documents may not be reproduced, copied or stored in any medium without the prior written consent of the Partnership except in relation to the preparation of a Solution. All documentation supplied by the Partnership in relation to this ISFT and the Associated Documents is and shall remain the property of the Partnership and must be returned on demand, without any copies being retained.
- 2.8.2 The Partnership reserves the right to require the assignment or grant of a perpetual, transferable, royalty free, non-exclusive licence of all intellectual property relating to or in connection with any Solution relating to the award of the Project Agreement.

2.9 Publicity

- 2.9.1 Participants shall not undertake (or permit to be undertaken) at any time, whether at this stage or after financial close, any publicity activity with any section of the media in relation to the Project other than with the prior written agreement of Partnership. Such agreement shall extend to the content of any publicity. In this section the word "media" includes (but without limitation) radio, television, newspapers, trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.

2.10 The Partnership's Right to Reject Solutions

- 2.10.1 The Partnership reserves the right to require a Participant and/or the members of the Participant's Team to clarify their submission in writing and/or provide additional information (failure to respond adequately may result in a Participant being rejected); and/or
- 2.10.2 The Partnership reserves the right to reject or disqualify a Participant and/or the members of the Participant's Team where:-
- (a) a Solution is submitted late, is completed incorrectly, is materially incomplete, is submitted in any other format other than via the Portal or fails to meet the Partnership's submission requirements which have been notified to Participants;
 - (b) the Participant and/or the members of the Participant's Team are unable to satisfy the terms of Article 45 of Directive 2004/18/EC and/or Regulation 23 of the Public Contracts Regulations 2006 at any stage during the Competitive Dialogue Procedure;
 - (c) the Participant and/or the members of the Participant's Team are guilty of material misrepresentation or false statement in relation to its application and/or the process;
 - (d) the Participant and/or the members of the Participant's Team contravene any of the terms and conditions of this ISFT and/or any Associated Documents;
 - (e) there is a change in identity, control, financial standing, structure or other factor impacting on the selection and/or evaluation process affecting the Participant and/or the members of the Participant's Team (including but not limited to a change in the Participants' Team from the members who completed the PQQ);
 - (f) the Participant amends and/or withdraws any statement/position and/or introduces any new statement/position that is not consistent with the statements/positions included in the ISDS submission save to the extent agreed with the Partnership (in its absolute discretion);
 - (g) the Participant breaches the terms and conditions of use for the Portal/Data Room;
 - (h) the Participant includes any Unacceptable Risk Allocation Positions (as such term is defined in section 8.11.2 below) within the Draft Final Tender or the Final Tender; and/or

- (j) the Participant fails to satisfy any element of the Welsh Government Funding Criteria relating to the Project (as notified to the Participants from time to time).

2.10.3 The disqualification of a Participant will not prejudice any other civil remedy available to the Partnership and will not prejudice any criminal liability that such conduct by a Participant may attract.

2.11 Provision of Further Information by Participants after Submitting a Solution

2.11.1 The Partnership is relying on the information provided by Participants during the PQQ stage (including but not limited to information concerning the Participant's Team and consortium structure). If, at any time during the Competitive Dialogue Procedure there are any material changes to the same, the Participant must advise the Partnership as soon as practicable (even if this is after the submission of a Solution). Upon receipt of such information, the Partnership shall be entitled to revisit the selection and/or evaluation of the Participant and exclude the Participant, if necessary, as a result of that process.

2.12 Freedom of Information

2.12.1 The Partnership is subject to the provisions of the Freedom of Information Act 2000 (FOIA). FOIA provides a general right of access to information held by public authorities and the Partnership may be required to disclose any or all information submitted to the Partnership in response to a request made pursuant to FOIA.

2.12.2 FOIA provides for information to be exempt from the general right of access in certain circumstances, for example where the information has been provided in confidence, is a trade secret, or where release would or would be likely to prejudice commercial interests. As the Partnership has to comply with its statutory duties, if information is requested the Partnership may be forced to disclose such documentation, irrespective of a Participant's wishes, if it is not covered by an exemption under FOIA. Please also note that the availability of some exemptions is subject to a test of whether the public interest lies in disclosing the information or keeping it confidential.

2.12.3 Participants are required to identify any information contained in your Solution which you would prefer not to be released if a request under FOIA is received. Requests for information to be treated as commercially confidential should accompany your response and must include a clear and substantive justification (which the Partnership is able to disclose) together with a time limit

after which any such information may be disclosed. You should make sure any information that you consider commercially confidential is clearly marked as such. Please clearly mark the front page of the document with "In confidence – not to be circulated" (and by also marking each relevant page of the document "commercially confidential"). You should be aware that a Solution that indicates that all of the information you provide in a Solution is confidential, without a clear and substantive justification, is unlikely to be acceptable to the Partnership. You should also be aware that even where information is identified as confidential and/or commercially sensitive the Partnership may be required to disclose such information in accordance with FOIA.

2.12.4 If the Partnership receives a request under FOIA for the release of information which has been provided by a Participant, the Partnership will use reasonable endeavours to consult with the relevant Participant as soon as practicable where it considers that the requested information may include exempt information relating to that Participant. Where the Partnership consults with the Participant, the Participant must respond to the Partnership's requests within 48 hours (unless otherwise agreed by the Partnership), so that the Partnership can comply with its obligation to answer a FOIA request within the relevant time limit.

2.12.5 The decision on what is, or is not, exempt information shall be determined by the Partnership having considered the representations of Participants. The Partnership shall not be liable for any loss, damage, harm or other detriment however caused arising from any disclosure of information under FOIA, Environmental Information Regulations 2004 or other legislation governing access to information including but not limited to Guidance Notes and Codes of Practice issued by the Information Commissioner.

2.13 The Participant's Team

2.13.1 The members of the Participant's Team, and the principal relationships between the team members, may be changed in relation to this procurement process only with the prior consent of the Partnership, and subject to any replacement team member being satisfactorily pre-qualified by the Partnership (in accordance with the requirements of the PQQ). The Partnership reserves the right to take this into account when determining whether or not to continue with the evaluation of a Solution, and whether or not to enter into a contract with a Participant, where there has been a change in the ownership of the Participant or any members of the Participant's Team (direct or indirect) or a change in the principal relationships between the team members.

2.13.2 All other Participants shall be deemed to have consented to any changes in other Participant's Teams.

2.14 Bidding Process and Costs

2.14.1 The Partnership reserves the right at any time:-

- (a) not to consider Solutions other than those submitted in accordance with the terms of this ISFT and/or the Associated Documents;
- (b) to negotiate with one or more of the Participants during the Competitive Dialogue Procedure to obtain arrangements which best meet its requirements to the extent permitted pursuant to the procurement regulations;
- (c) to issue amendments or modifications to the ISFT and/or the Associated Documents during the Competitive Dialogue Procedure;
- (d) to require a Participant and/or the members of the Participant's Team to clarify their submission in writing and/or provide additional information (failure to respond adequately may result in a Participant being rejected);
- (e) to alter the timetable of any aspect of the procurement including (but not limited to) the anticipated date of financial close;
- (f) not to award a contract; and/or
- (g) to cancel or withdraw from the Competitive Dialogue Procedure at any stage.

2.14.2 Any costs or expenses incurred by any Participant or the Participant's Team or any other person will not be reimbursed by the Partnership and neither the Partnership nor any of their representatives or advisers (which shall include for the avoidance of doubt WG, DESH, WPPO, Local Partnerships or any Gateway Review Team) will be liable in any way to any Participant or the Participant's Team or any other person for any costs, expenses or losses incurred by any Participant or the Participant's Team or any other person in connection with this Competitive Dialogue Procedure.

2.15 Governing Law

2.15.1 All negotiations will be conducted, and all documents and Solutions will be prepared, in the English language. The negotiations and all subsequent contracts negotiated and any non-

contractual obligations arising out of or in connection with such contracts will be subject to the laws of England and Wales and the exclusive jurisdiction of the English and Welsh courts.

3. SUBMISSION OF SOLUTIONS - GENERAL REQUIREMENTS

3.1 Introduction

- 3.1.1 The provisions of this Section 3 shall be deemed to be repeated at each and every stage of the Competitive Dialogue Procedure and shall, for the avoidance of doubt, apply to all further information and documentation provided or made available as part of this Competitive Dialogue Procedure. Participants shall be responsible for ensuring that their Solutions comply with the requirements set out in this ISFT and the Associated Documents.
- 3.1.2 The Partnership is following the Competitive Dialogue Procedure in accordance with the requirements of the Public Contracts Regulations 2006. Participants are deemed to understand the processes that the Partnership is required to follow under the Public Contract Regulations 2006 and all applicable European and domestic legislation and shall cooperate with the Partnership in those processes. Participants are reminded that they will not have the opportunity to revise their Solutions following submission of their Final Tender as the Partnership can, pursuant to the Public Contract Regulations 2006, only clarify, specify or fine-tune a tender after formal submission at that stage.
- 3.1.3 Copies of any relevant UK legislation may be obtained from HMSO Publication Centre, PO Box 276, London SW8 5DT. (Telephone) +44(0)207 873 0011. Public Services Procurement regulations can be viewed at www.opsi.gov.uk/si/si2006/uksi_20060005_en.pdf

3.2 Vires and the Capital Finance Regulations

- 3.2.1 Participants should be aware that the Project Agreement and the Funder's Direct Agreement are anticipated to be certified in accordance with the Local Government (Contracts) Act 1997.
- 3.2.2 Participants are reminded that all Solutions must enable proper compliance with the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended). Participants will be deemed to understand the requirements of those Regulations and to take them into account within their Solution.

3.3 The Participant's Team

- 3.3.1 The Participant's Team shall be clearly identified at each stage of the Competitive Dialogue Procedure.
- 3.3.2 Where the Participant is bidding as a consortium, the consortium should identify one team member as the "Lead Participant" to

submit the consortium's Solutions. It will be the Lead Participant's role to co-ordinate all correspondence with the consortium.

3.4 Content of Solutions

- 3.4.1 The Participant Solution must be provided using the Value Wales e-Tendering Portal www.etenderwales.bravosolution.co.uk in accordance with the instructions provided in this document (see section 1.9) and the instructions available through the Portal. Where an attachment is required please observe any page limitations and respond using font size 12 and the type to be Arial. Any drawings submitted must be no larger than A3.
- 3.4.2 The Solution shall be prepared and submitted as a stand-alone submission, be clearly labelled and numbered and shall not cross-refer to a separate Solution or previous submission or PQQ submission.
- 3.4.3 The Participant shall provide a full answer/mark-up of each document (and not cross-refer to other documents (unless expressly permitted) and provide all supporting information in the format requested and on the forms provided.
- 3.4.4 The Participant shall ensure that each document complies with any page limitations, has a clear title and that each page contains the name of the Participant and the page number.
- 3.4.5 Save as expressly provided otherwise in this ISFT, all electronic copies of the Solution must be provided in a pdf format accessible by version 6 of Adobe Reader or later.
- 3.4.6 Do not refer the Partnership to company literature, brochures or any marketing or promotional material as answers to any of the questions. Such responses will be deemed inadequate and regarded as non-compliant.
- 3.4.7 The Solution shall be as concise as possible, whilst providing sufficient information to enable the Partnership to evaluate the Solution in accordance with this ISFT and the Associated Documents.
- 3.4.8 All answers and documents are to be in English. Documents which are not in the English language must be accompanied by an English translation and a certificate by a bona fide independent translator attesting the authenticity of the translation.
- 3.4.9 Do not provide any information other than that requested, as the Partnership will not consider it as part of the assessment process.

3.5 Data Room/Portal

- 3.5.1 Throughout the Competitive Dialogue Procedure, Participants will be able to upload documentation (including their Solution for the Project) and access a data base (the "**Data Room**") via www.etenderwales.bravosolution.co.uk (the "**Portal**").
- 3.5.2 Documentation will be held and maintained on the secure centrally managed Data Room that is restricted to registered users. Participants will be required to download this ISFT and the Associated Documents from the Data Room/Portal including but not limited to the ITPD/ISOS, ISDS and ISFT documentation at the relevant stages of the Competitive Dialogue Procedure. Certain hard copy documents can be made available from the Data Room upon request and with the appropriate notice. However, the Partnership does not anticipate distributing hard copies of the main tender documentation (which shall include the ITPD/ISOS, ISDS and ISFT documentation) from the Portal.
- 3.5.3 The use of the Portal/Data Room allows a full and complete audit trail of the evaluation that will satisfy all audit requirements and maintain probity during the evaluation of the Participants submissions. The system is also sustainable and provides excellent communications tools for the Partnership and Participants. All documents, quality assurance and quality review shall be managed by the Project Team. All products are version controlled, decisions are recorded on the Partnership's Decisions Log and all actions are recorded and held centrally to ensure that a full audit trail of all documentation is kept.
- 3.5.4 In the event of any inconsistency or conflict between the contents of any hard copy provided upon request and the copy on the Portal/Data Room, Participants shall promptly, and in any event within two days of becoming aware, notify the Partnership in writing. The Partnership shall, as soon as reasonably practicable, issue a clarification to confirm how such conflict has been resolved.
- 3.5.5 The information contained within the Portal/Data Room has been prepared by the Partnership in good faith but does not purport to be comprehensive or to have been independently verified. Participants should not rely on the information contained with the Portal/Data Room and should carry out their own diligence checks and verify the accuracy of such information. No liability whatsoever shall be incurred by the Partnership and its advisors regarding the use of the information on the Portal/Data Room by Participants. Nothing in the Portal/Data Room is or shall be a promise or representation as to existing circumstances or the future.

- 3.5.6 It is the responsibility of each Participant to ensure that they have all of the information they need to prepare their Solution for the relevant stage of the Competitive Dialogue Procedure.
- 3.5.7 Each Participant shall not interfere or attempt under any circumstances whatsoever to gain access to the folders or any information of any other Participant. Any concerns as to the security of your or any other Participants folder and/or other information shall be reported to the Partnership immediately upon becoming aware.
- 3.5.8 You shall not grant access to the Portal/Data Room to any third party or to any other user who already has access to the Portal/Data Room or otherwise by providing or sharing usernames and/or passwords provided by the Partnership for your sole use.
- 3.5.9 You agree to fully indemnify, defend and hold the Partnership, our Councillors, employees, agents and advisers harmless immediately on demand against all claims, damages, losses, costs and expenses (including legal fees) arising out of your breach of the terms of use of the Portal/Data Room or any other liabilities arising out of your use of the Portal/Data Room contrary to such term or of any materials accessible via the Portal/Data Room or the use by any other person accessing the Portal/Data Room using your username and password.

3.6 Signature of Documents

- 3.6.1 Any documents requiring signature shall be returned with your Solution and signed:-
- (a) by the Participant as follows:-
- (i) where the Participant is bidding as a consortium, by each Consortium Member;
 - (ii) where the Participant is a prime contractor supported by Significant Sub-contractors, by the prime contractors and each Significant Sub-contractor;
 - (iii) where the Participant is a single organisation (or a single organisation supported by sub-contractors that are not Significant Sub-contractors) by that single organisation;
 - (iv) where the Participant is a company, by the company;
 - (v) where the Participant is an unincorporated association, by the person duly authorised for that purpose to sign on its behalf, stating their position; and

- (vi) where the Participant is a partnership, by two duly authorised partners.
- (b) by the intended shareholders of the special purpose vehicle;
- (c) by the guarantor of the Participant, each Consortium Member, the Significant Sub-Contractor (as applicable); and
- (d) in accordance with the execution requirements set out in the Companies Act 2006 (for instance a company shall execute any document by:
 - (i) affixing its common seal; or
 - (ii) the document being signed on behalf of the company by either:-
 - (1) two authorities signatories; or
 - (2) a director of the company in the presence of a witness who attests the signature.).

3.7 Delivery of Solutions

- 3.7.1 The Partnership will be conducting this procurement exercise through the Value Wales e-Tendering Portal at:
www.etenderwales.bravosolution.co.uk.
- 3.7.2 To submit a Solution, Participants are required to upload their Draft Final Tender and Final Tender to the Portal by the closing date and time fixed for the receipt of the respective submission (please see 4.12). The Partnership reserves the right to reject the Solution where the entire Solution has not been uploaded by the closing date and time.
- 3.7.3 If a Participant has any queries in relation to the use of the Portal please contact the BravoSolution help desk Mon – Fri (8am – 6pm) on:
 - (a) Email: help@bravosolution.co.uk; or
 - (b) Phone: 0800 368 4850 / Fax: 020 7080 0480

3.8 References

- 3.8.1 The Partnership reserves the right to contact the Participant's financial and/or technical referees at any stage of the Competitive Dialogue Procedure. Referees should be alerted in advance so as not to cause delays. In addition, to satisfy itself that the specific proposal is deliverable and to fully understand the nature of the

technical solution proposed, the Partnership reserves the right to inspect applications/reference sites of the proposed Solution. For the avoidance of doubt, whilst assisting the Partnership to understand a Participant's Solution, visits to Participants' reference sites will not be scored.

3.9 Communication by the Participants

- 3.9.1 Save as expressly provided otherwise in this ISFT, all contact with the Partnership shall be made through the Project Director in writing and **must be made** through the Value Wales e-Tendering Portal: www.etenderwales.bravosolutions.co.uk.
- 3.9.2 Participants are welcome to contact the Project Director via the Portal with reasonable frequency to discuss any aspect of the Project. Participants should not make any contact with any employee, officer, Councillor or advisors to the Partnership, without the Partnership's prior invitation or agreement.
- 3.9.3 All questions and requests for clarification or further information may only be made, and will only be considered, if made at least two (2) weeks prior to the submission date for a Solution. If a question or request for clarification or further information is made by the Participant at least two (2) weeks prior to the submission date for a Solution, the Partnership may, in its absolute discretion, endeavour to respond to the Participant and provide any additional information to which the Partnership has access. The Partnership shall not be obliged to comply with any such request and the Partnership does not accept any liability or responsibility for failure to provide any such information. If a question or request is made less than two (2) weeks prior to the submission date for a Solution, the Partnership may, in its absolute discretion, determine whether the circumstances are such that a final response is warranted or not.
- 3.9.4 The Partnership also reserves the right to disseminate information that is materially relevant to all Participants even if the information has only been requested by one Participant, subject to the duty to protect any Participant's commercial confidence in its Solution. Should Participants wish to avoid such disclosure (for example on the basis that the request contains, or the likely response will contain, commercially confidential information or may give another Participant a commercial advantage), the request must be clearly marked "in confidence – not to be circulated to other Participants" (on the front page of the document) (and by also marking each relevant page of the document "commercially confidential"). The Participant must set out the reason or reasons for the request for non-disclosure to other Participants.

- 3.9.5 If the Partnership considers that (in its absolute discretion), in the interests of open and fair competition, it is unable to respond to the question or request for clarification or further information on a confidential basis, it will inform the Participant who has submitted it. The Participant must as soon as practicable thereafter respond in writing requesting that either the query be withdrawn or treated as not confidential. The Partnership will deem that the question or request for clarification or further information has been withdrawn if the Partnership is not contacted in writing within five (5) Business Days following informing the Participant as referred to above.
- 3.9.6 It is imperative that Participants are clear in every request for information/question submitted to the Partnership the extent to which that request/question is commercially sensitive and/or confidential. Any statement requesting that the response to the request/question is to be kept confidential should be well constructed, thought out and meaningful and not simply a broad statement that covers matters clearly in the public domain or not commercially sensitive.

3.10 Surveys, Inspections and Investigations

- 3.10.1 All contact must be made through the Project Director via the Portal regarding liaison with any interested parties in connection with the procurement of site surveys, inspections and investigations during the Competitive Dialogue Procedure.

3.11 Dialogue Meetings

- 3.11.1 The Partnership will provide further details of the dialogue meetings to be held at each stage of the Competitive Dialogue Procedure as the process develops.
- 3.11.2 The Partnership reserves the right to extend any time period and reduce or increase the amount of dialogue meetings if considered necessary during the Competitive Dialogue Procedure.
- 3.11.3 The Partnership will endeavour, as far as possible, to agree agenda items and confirm attendees before each dialogue meeting. In order for the discussions to be productive, it is assumed that each Participant will be empowered to make decisions at the relevant dialogue meeting. Likewise the dialogue team will be suitably empowered to make the appropriate decisions.
- 3.11.4 Points of clarification provided by the Partnership during the meetings will be shared with Participants unless a Participant demonstrates to the Partnership's reasonable satisfaction that the

information should be treated as confidential, in which case the provisions of section 2.3 and 2.12 shall apply.

- 3.11.5 Whilst Participants will be invited to discuss their Solution, nothing said or intimated by the Project Team at these meetings will constitute an approval of their proposals or an acceptance of their adequacy in meeting the Project requirements. However, the Partnership will endeavour to indicate to Participants whether it believes the proposed Solution are unlikely to meet its objectives. These meetings will be treated as confidential between the Partnership and each Participant.

3.12 Debriefing Process

- 3.12.1 Participants who are de-selected at any stage of the Competitive Dialogue Procedure will be entitled to receive feedback on their Solution on request in accordance with relevant procurement legislation.

3.13 Withdrawing from the Competitive Dialogue Procedure

- 3.13.1 Participants may decline to take part in the Competitive Dialogue Procedure, but should they choose not to participate, they should alert the Partnership promptly, giving reasons, and return to the Partnership (marked for the attention of the Project Director) all copies of the documentation issued to them by the Partnership or downloaded from the Portal/Data Room. Please contact the Project Director via the Portal to obtain the relevant postal address to be used to return all documentation.

4. SUBMISSION OF FINAL TENDERS

4.1 Introduction

- 4.1.1 At the ISFT stage, the Partnership is not inviting Participants to submit a further Mandatory Solution and/or a Variant Solution. For the avoidance of doubt, the Partnership is inviting each Participant to submit Final Tenders based upon the Solution shortlisted to advance to the ISFT stage. The Partnership is inviting Solutions (not Participants) to the ISFT stage.
- 4.1.2 The submission requirements for the Final Tenders have been separated out into a two stage process – Draft Final Tender submission followed by the Final Tender submission. Recognising that the Final Tenders may only be requested following the formal closure of the dialogue process, the Partnership anticipates testing its readiness to close the dialogue process by requesting Draft Final Tenders prior to closing dialogue. The Draft Final Tenders and Final Tenders shall satisfy the submission requirements set out under this ISFT and the Associated Documents.
- 4.1.3 The Partnership reserves the right to reject any Participant who does not comply with this ISFT and all Associated Documents. It is the responsibility of the Participants to ensure that they have all of the information they need to prepare and submit their Final Tenders pursuant to this ISFT and all Associated Documents.

4.2 Compliance

- 4.2.1 As stated above, no additional solution is being requested by the Partnership. The Solutions invited to the ISFT stage shall:-
- (a) comply with the requirements of this ISFT;
 - (b) comply with the Authority's Requirements.
- 4.2.2 Provide a long term Solution (by which the Partnership means a service period of approximately 25 years with an option to extend by a further 5 years) to manage the Partnership's forecast tonnages of Contract Waste as more particularly set out in the Authority's Requirements from the anticipated Planned Service Commencement Date of 1st April 2016 (as the same may be adjusted in accordance with the terms of the Project Agreement); and
- 4.2.3 be consistent with the terms of the WG Funding Criteria. The Partnership also reserves the right to require Participants to explore key sensitivities such as (but not limited to) different funding structures and the impact of capital contributions by the

Partnership during the later stages of the Competitive Dialogue Procedure.

4.3 Draft Final Tenders

- 4.3.1 Sections 4.3, 4.5, 4.6 and 4.7 below provide further details on the content of the Draft Final Tender.
- 4.3.2 As set out in Section 1, the Partnership shall continue to dialogue with the Participants on the outstanding points identified during the evaluation of the Solutions as more particularly described in sections 5, 6 and 7 of this ISFT. The Partnership reserves the right to issue clarifications where Solutions are (in whole or in part) unclear or inconsistent with previous submissions.
- 4.3.3 The Draft Final Checklist at Appendix 1 of this ISFT details the documentation to be submitted as part of the Draft Final Tender submission. The Partnership requires the documentation to be submitted as part of the Draft Final Tender to be in an agreed form. In order to achieve this, the Partnership anticipates requesting the documentation on a staggered basis and to be submitted in accordance with an agreed schedule so that the documentation is submitted regularly up to the Draft Final Tender submission deadline.
- 4.3.4 The Partnership will review the Draft Final Tenders by way of informal appraisal to ensure that all outstanding issues have been resolved to their satisfaction. If the Partnership considers that any document is not in an agreed form, dialogue will continue until such time as agreement is reached. Once the document is in an agreed form, this will form part of the Participant's Draft Final Tender submission. The Partnership anticipates concluding this process by having formally recorded the complete set of documentation which will comprise the Participant's Draft Final Tender submission.
- 4.3.5 If the Partnership accepts that a document is in an agreed form, the Partnership will update the version control sheet for the document to confirm the document version and the date of the document. The Partnership will send a pdf copy of the document back to the Participant and confirm that the document has been agreed.
- 4.3.6 For the avoidance of doubt, agreed form shall mean that all commercial and drafting points have been resolved to the Partnership's satisfaction provided always that document shall only be scored and evaluated in accordance with the Evaluation Methodology (section 8 of the ISFT). The fact that the document is

in an agreed form shall not of itself determine or provide any indication of the evaluation/score to be awarded.

- 4.3.7 The timetable for the submission of the documentation will be agreed with the Participants during dialogue. Separate timetables will be agreed for each of the financial, legal and technical work streams at the first dialogue meeting in January 2012.

4.4 Final Tenders

- 4.4.1 Sections 4.8, 4.9 and 4.10 provide further details on the content of the Final Tender.
- 4.4.2 The Partnership will not close dialogue until all outstanding issues (commercial, legal, financial and technical) have been resolved to the satisfaction of the Partnership and the documentation set out in the Draft Final Tender Checklist is in an agreed form. Once all outstanding issues have been resolved to the Partnership's satisfaction following informal appraisal of the Draft Final Tenders and any subsequent clarification/dialogue, the Partnership will undergo a WG Healthcheck. On satisfactory completion of the WG Healthcheck, the Partnership will confirm in writing that the dialogue phase is formally closed and request the submission of the Final Tenders. The Partnership anticipates closing the dialogue phase on Friday 19 October 2012.
- 4.4.3 Please note that the Partnership does not intend for the Participants to re-submit the documentation agreed as part of the Draft Final Tender submission. No further amendments to the documentation forming part of the Draft Final Tender shall be permitted following receipt by the Partnership of the Draft Final Tenders except at the absolute discretion of the Partnership.
- 4.4.4 Only a small number of additional documents, which we anticipate being limited to the financial pro-formas and the financial model, will be requested as part of the Final Tender submission following closure of dialogue. The documentation to be submitted as part of the Final Tender submission will be confirmed during dialogue.
- 4.4.5 The Partnership will formally evaluate and score the Final Tender submission (which shall include the Draft Final Tender submission) in accordance with Section 8 (Evaluation Methodology) of this ISFT upon receipt of the Final Tender submission.

4.5 Content of the Draft Final Tender

- 4.5.1 These instructions are designed to ensure that all Participants are given equal and fair consideration. It is important therefore that

you provide all the information asked for in the format and order specified in this ISFT.

- 4.5.2 The Participants' Draft Final Tender shall be structured in five (5) parts namely:-

Table 4.1 - Solution Parts

Part No	Section
1	Introduction
2	Financial and Commercial
3	Technical and Service Delivery
4	Deliverability and Integrity of the Solution
5	Legal and Contractual

- 4.5.3 Supporting documentation, subject to appropriate cross-referencing, may also be submitted in support of the answers provided in the Solutions. Generic and promotional material should not be included. Participants should not provide any information other than that requested since the Partnership will not consider it as part of the assessment or evaluation process.
- 4.5.4 Any drawings/diagrams (no larger than A3) included as a part of the Solution shall be numbered and a drawing list shall be included in the index. The Draft Final Tender (and Final Tender) shall be complete and stand alone with no cross-referencing to previous submissions at the PQQ, ISOS or ISDS stages.
- 4.5.5 Participants' Draft Final Tender and Final Tenders will be regarded as commercially unconditional and capable of acceptance. The Partnership will not accept a submission which remains subject to further due diligence. Participants must therefore ensure all comments raised by their legal, technical and financial advisors are fully incorporated into the Solutions.
- 4.5.6 A Draft Final Tender Checklist of the documentation required can be found at Appendix 1 (Part 1) of this ISFT. Please complete this checklist and include a copy in Part 1 of the Draft Final Tender. Further details of the Draft Final Tender are set out in sections 4.6 and 4.7 below.

4.6 Part One (Introduction) of the Draft Final Tender

Participants are required to submit the following documentation as part of their **Draft Final Tender**:-

- 4.6.1 a completed Draft Final Tender Checklist (please see Appendix 1 (Part 1));
- 4.6.2 confirmation that the form of the Covering letter (Appendix 11) is in an agreed form;
- 4.6.3 confirmation that the form of the Anti-Collusion Certificate (Appendix 2) is in agreed form;
- 4.6.4 confirmation that the form of the Consortium Commitment Document (Appendix 11) is in an agreed form;
- 4.6.5 a copy of all clarifications (to include all clarifications requested by the Participant, responses received from the Partnership and any further clarifications distributed by the Partnership) with an index detailing each clarification.

4.7 Parts Two to Five of the Draft Final Tender

- 4.7.1 Please see Sections 5 (Technical and Service Delivery Requirements), 6 (Financial and Commercial Requirements) and 7 (Legal and Contractual Requirements) for further details of the contents of Parts Two to Five of your Draft Final Tender.
- 4.7.2 Subject to 4.7.3 and 4.7.5 the Draft Final Tender shall confirm acceptance of all of the terms of the Project Agreement, the Payment Mechanism and the Authority's Requirements in the form attached at Appendices 6, 7 and 8 of this ISFT.
- 4.7.3 Participants are reminded that they have agreed the ISFT version of the Project Agreement the Payment Mechanism, the Authority's Requirements and the Performance Measurement Framework, subject to the outstanding issues set out in sections 5, 6 & 7 of this ISFT, as a condition of their Participation in the ISFT stage.
- 4.7.4 If, and to the extent that, Participants propose qualifications to the Project Agreement, the Payment Mechanism, the Authority's Requirements and/or the Performance Measurement Framework, the Partnership shall only consider any proposals at their absolute discretion. Any such proposals shall be contained within a mark up of the relevant document incorporating all comments from the SPV sponsors, the funders and their advisors. Please note that each mark-up of the Project Agreement, the Payment Mechanism, the Authority's Requirements and Performance Measurement

Framework (as the case may be) should be accompanied by a separate completed Participant Commentary Table providing genuine project specific and/or value for money justification for such qualifications (in the form set out at Appendix 3 to this ISFT).

- 4.7.5 Participants should note that any proposed amendments to the Project Agreement, the Payment Mechanism, the Authority's Requirements and/or the Performance Measurement Framework will be one of the Criteria taken into account in evaluating the Final Tender. Participants should note that they are likely to be negatively marked for proposing any additional amendments save to the extent that it can be demonstrated to the Partnership's satisfaction that such proposed amendments are submitted for genuine project specific or value for money reasons.
- 4.7.6 Please note, the Partnership reserves the right to amend the terms of the Project Agreement, the Payment Mechanism, the Authority's Requirements and/or the Performance Measurement Framework during the ISFT stage and the future stages of the Competitive Dialogue Procedure.
- 4.7.7 Bid back items shall be included in the mark-up of each document and in the respective Participant Commentary Table. Participants are also requested to provide a Bid Back List (as set out in Appendix 4 of this ISFT).

4.8 Content of the Final Tender

- 4.8.1 The Final Tender shall be submitted in parts as set out in section 4.4, 4.9 and 4.10 above.
- 4.8.2 A Final Tender Checklist of the documentation required will be agreed and provided during dialogue. Please complete this checklist and include a copy in Part 1 of the Final Tender. Further details of the Final Tender are set out in sections 4.9 and 4.10 below.

4.9 Part One (Introduction) of the Final Tender

Participants are required to submit the following documentation as part of their Final Tender:-

- 4.9.1 Completed Final Tender Checklist (To be confirmed during dialogue);
- 4.9.2 Copy of the Draft Final Tender Checklist submitted as part of the Draft Final Tender submission. Please include written confirmation on both the checklists that the documents referred to in the Draft Final Tender Checklist are in agreed form and that no

further changes shall be made otherwise than in the absolute discretion of the Partnership. Please sign the two checklists in accordance with section 3.6 of the ISFT document;

- 4.9.3 Completed and Signed Forms 1, 2, 4 and 5 of Appendix 11;
- 4.9.4 Signed Covering Letter (Appendix 11, Form 3 of this ISFT);
- 4.9.5 Completed and signed Certificate as to Collusion and Canvassing (Appendix 2 of this ISFT);
- 4.9.6 Written confirmation that any statement made in the Participant's PQQ, ISOS and ISDS submissions remains true and accurate in all material respect save to the extent specifically disclosed in the Executive Summary in the Draft Final Tender and/or in the Final Tender. If any changes are contained in the Draft Final Tender and/or in the Final Tender please identify the relevant section for the Partnership to consider;
- 4.9.7 Completed Bid Back List as set out in Appendix 4. Bid back items shall be included in the mark-up of each document and in the Participant's Commentary Table. Participants are also required to provide a Bid Back List (as set out in Appendix 4 of this ISFT) as part of the Final Tender submission; and
- 4.9.8 An Executive Summary which shall include:-
 - (a) the name and contact details of the person dealing with this submission on behalf of the Participant and indicate to what level of the Participant this individual has been empowered to submit the ISFT documentation;
 - (b) contact names, numbers and descriptions of roles of the members of the Participant's Team/Consortium and Dialogue Team;
 - (c) details of all proposed funders and details of the proposed funding structure (if applicable);
 - (d) details of the price and indexation proposals for the Solution including;
 - the NPV for your proposed solution;
 - the specific Price Band Gate Fees relevant to your bid with the Gate Fees expressed at both current (April 2012) prices and expected Gate fees when the contract commences on 1st April 2016;

- the indexation proposals for the specific Price Band gate fees relevant to your bid.

- (e) a list of all financial and technical assumptions relied on in the preparation of the Solution;
- (f) a description of the technology(ies) proposed including details of the number of facilities, process lines, capacities and configuration and where the proposed technology has been applied;
- (g) confirmation of the site(s) and the type of facility (e.g. treatment facility, transfer station) to be provided on each site;
- (h) site layout plans for each site (at least 1:200) showing the facility layout and features, buildings, (including elevations), external equipment, site roads, car parks and vehicle circulation routes, the weighbridge, etc;
- (i) sections (at least 1:200) showing cross-sections and long-sections through the site, proposed buildings and facility to show the general arrangement;
- (j) arrangement drawings of the key components;
- (k) mass flow diagram for the facility;
- (l) description of the facilities for visitors and its location;
- (m) a completed Bid Back List as set out in Appendix 4; and
- (n) confirmation that any statement made in the Participant's PQQ, ISOS and ISDS submissions remains true and accurate in all material respect save to the extent specifically disclosed in the Draft Final Tender and Final Tender (and highlighted in the Executive Summary). If any changes are contained in the Draft Final Tender and Final Tender, please identify the relevant sections for the Partnership to consider.

4.9.10 For the avoidance of doubt, the Executive Summary shall not be evaluated by the Partnership and all information contained therein should be separately provided in response to the specific requirements of this ISFT.

4.10 Parts Two to Five of the Final Tender

4.10.1 As set out in sections 1.3.4 and 4.1.2, the Partnership's clear expectation is that all of the documentation (commercial, legal, financial and technical) submitted by the Participants throughout the dialogue phase will be in an agreed form prior to formal closure

of dialogue. The documentation required for submission at the Final Tender stage will be communicated to Participants during dialogue. For the avoidance of doubt, the Partnership does not anticipate a re-submission of any technical, financial and legal documentation agreed (pursuant to Sections 4.2 and 4.3) as part of the Draft Final Tender.

4.11 Address for Submission

- 4.11.1 All documentation must be received through the Value Wales e-Tendering Portal at: www.etenderwales.bravosolution.co.uk as set out in section 3.7. Each Solution shall be uploaded via the e-Tendering Portal with each page numbered consecutively and the name of the Participant clearly indicated at the top of each page of the submission.
- 4.11.2 The Partnership reserves the right to request hard copies or copies by way of compact disc.

4.12 Deadline for Submission

- 4.12.1 The Draft Final Tender shall be received by no later than [12:00:00 hours on Monday 19 March 2012];
- 4.12.2 The Final Tender shall be received by no later than [12:00:00 hours on Friday 26 October 2012].

4.13 Validity Period of the Final Tender submission

- 4.13.1 Final Tender submissions at the ISFT stage must remain valid for Six (6) months, following the anticipated Financial Close date.

5. TECHNICAL AND SERVICE DELIVERY REQUIREMENTS

5.1 Introduction

- 5.1.1 The following section includes the Technical and Service Delivery submission requirements for the technical aspects of the Draft Final Tenders and Final Tenders as set out in section 4.
- 5.1.2 The Partnership proposes to continue to dialogue with the Participant on the outstanding points identified during the evaluation of the Detailed Submission below:

The content of Section 5.1.2 contains information which is exempt from publication under paragraphs 14 (information relating to financial or business affairs) and 21 (public interest test) of Schedule 12 A part 4 of the Local Government Act 1972.

It is viewed in the public interest to treat this Section as exempt from publication. Put simply, the rationale for this is that the information relates to commercial positions of third parties and if such information was released it would adversely affect the authority's ability to obtain best value in future procurements i.e. third parties would be discouraged from providing confidential information to public authorities if such information was to be released and participant's commercial bargaining position.

Therefore on balance, it is submitted that the public interest in maintaining exemption outweighs the public interest in disclosure.

- 5.1.3 Please be aware that the Partnership is under no obligation to discuss anything other than the specific points agreed with the Partnership as being outstanding during the evaluation of the Detailed Solutions and the formulation of the ISFT documentation. Participants are reminded that the Partnership has reserved the right to reject a Participant where there is any material change to a Solution and, in particular, where "the Participant amends and/or withdraws any statement/position and/or introduces any new statement/position that is not consistent with the statement/position included in the ISDS submission save to the extent agreed with the Partnership (in its absolute discretion) section 2.10.2 (f) of this ISFT.
- 5.1.4 Following dialogue, the Partnership will ask the Participant to submit its Draft Final Tender. The Draft Final Tender shall include all documentation formally recorded by the Partnership as set out in Sections 1.3.4 & 4 as a response to all of the technical requirements as set out within this ISFT and Associated Documentation.

5.1.5 The Partnership's clear expectation is that the Technical and Service Delivery elements of the Solution will be in an agreed form prior to calling for the Final Tenders. As such, the Partnership does not anticipate further versions of the Technical and Service Delivery elements of the Solution being submitted as part of the Final Tenders. This assumption will be kept under review and written clarification will be issued to the Participants prior to the submission date for the Final Tenders.

5.2 The following is a detailed explanation of the Technical and Service Delivery requirements, which have been set out in the following categories below, which mirror the structure of the Authority's Requirements:

- Works
- Commissioning
- Services
- Service De-mobilisation.

5.3 The instructions are laid out in four sections each representing an aspect of the Authority's Requirements. Participants shall satisfy themselves that their Contractor's Method Statements have met all the Authority's Requirements. Each section contains an initial topic heading that describes the purpose and anticipated coverage of the section followed by the information required as part of the Contractor's Method Statements. It is the Participant's response that will form the Contractor's Proposals and the contractual obligations under the Project Agreement. The explanatory text and requirements are for guidance only and shall not be construed as limiting the information required in the Contractor's Method Statements. It is for Participants to determine the actual content as considered necessary to describe and fully support their contractual offer.

5.4 Participants can submit information that is non contractual if it allows for a better understanding of their Solution or allows Participants to demonstrate their ability to provide the Service. This information must be clearly identified and placed in Part B of the relevant part of the Contractor's Method Statement. Instructions relating to Commercial and Financial requirements are covered in Section 6. Instructions relating to Legal and Contractual requirements are covered in Section 7.

5.5 List of Proposals

5.5.1 When submitting their Contractor's Method Statements as part of their submission, Participants must ensure that their response is

clearly cross referenced back to the Contractor's Method Statements reference number set out in the tables below of this Section 5 (Technical and Service Delivery Requirements).

- 5.5.2 Participants must ensure that they provide a response to all of the Contractor's Method Statements contained within Section 5 of this document (Invitation to Submit Final Solutions). Once Final Solutions are received, any clarification questions about the basic structure and content of the Final Solutions submissions will be issued via the etenderwales Portal using the clarification form shown in Appendix 11 (Form 1 Register of Clarifications).

5.6 Contractor's Method Statements

- 5.6.1 Each of the Contractor's Method Statements is comprised of two parts; Contractor's Method Statements Part A and Contractor's Method Statements Part B.
- 5.6.2 Contractor's Method Statement Part A will be incorporated into the Project Agreement and become contractual. The guidance provided below sets out the particular content required by the Partnership that must be included. It is for the Participant to determine the actual content such that it fully describes the contractual offer.
- 5.6.3 Contractor's Method Statement Part B will generally not be incorporated into the Project Agreement but may be incorporated following dialogue. The guidance provided below sets out the particular content requested by the Partnership for evaluation purposes. It is for Participants to determine the actual content as considered necessary to describe and fully support the contractual offer. Participants should note that the Partnership reserves the right to add or amend the Partnership Requirements at later stages in the Competitive Dialogue Procedure (including but not limited to the Final Tender stages).
- 5.6.4 The instructions set out the Partnership's minimum requirements and Participants are required to submit their entire Contractor's Method Statements in a format suitable for insertion into the Project Agreement at Contract Close. They must be clear, concise and contain no ambiguity. Language used should therefore be definite to provide clarity and certainty of the documentation. Participants are required to refer to themselves as "the Contractor" within the Contractor's Method Statements to enable these to be incorporated into the Project Agreement.
- 5.6.5 When completing the Contractor's Method Statements, Participants shall ensure that the terminology used is consistent with that used in the Project Agreement and other project

documents e.g. the Site shall only be referred to as the Site and not the 'site', and reference to the Facility shall only be referred to as the Facility and not the 'plant' or the 'facility'.

- 5.6.6 The language used in the Contractor's Method Statements should be contractual and not that of a tender e.g. it should not state that "the Contractor proposes" if that proposal is to be agreed before signature of the Project Agreement. It should instead state "the Contractor will".
- 5.6.7 Where there is an obligation on the Contractor to perform an action it should state that the Contractor 'will' or 'shall' perform that action. Where a contractor uses 'would' 'should' or 'may', etc. they must include **the** specific reason for using this terminology.
- 5.6.8 Any triggers for action by either Party should be clear, objective and measurable.
- 5.6.9 The Contractor's Method Statements must be written with sufficient clarity and certainty so that they can be interpreted in only one way.
- 5.6.10 The Contractor's Method Statements should be written in sufficient detail so that is clear what is expected from each party in order to fulfill its obligations to the other.
- 5.6.11 Contractor's Method Statements shall be unconditional and capable of acceptance without further action being necessary by either party to discharge conditions.
- 5.6.12 The Contractor shall provide all necessary information to describe the proposals and may use appropriately referenced appendices. The numbering of the sections should not be amended as they are linked to the tender evaluation methodology.

5.7 Technical Due Diligence

- 5.7.1 Participants are requested to provide an independent Technical Due Diligence Report on each treatment technology proposed, clearly setting out a justified response to (but not limited to) each of the following:
- 5.7.2 an assessment of the ability of the proposed technical solution to achieve the specified outputs for the full duration of the Project Agreement;
- 5.7.3 an assessment of the robustness of assumptions regarding hours in each Contract Year during which the technology will be treating

waste including the robustness of assumptions for planned and unplanned unavailability;

- 5.7.4 an assessment of the robustness of assumptions regarding mass flows and process outputs (e.g. recycling, energy);
- 5.7.5 any risks regarding whole life-cycle capital expenditure and adequacy of provisions of the life-cycle fund within the Financial Model;
- 5.7.6 identification and assessment of functional and event risks associated with the treatment technology, including, but not limited to, waste composition and calorific value, demand/volume, performance and disposal of any treatment residues; and
- 5.7.7 assessment of the robustness of the Works Programme and proposed commissioning, and overall development programme including the design development process, identifying and assessing any risks to programme.

The information provided within the report will serve to provide evidence as to the robustness of the solution and will be taken into account in assessing the solution under the relevant evaluation criteria headings.

1.0 Works

Introduction

This part of the Contractor's Method Statements shall set out in detail what Works will be provide by the Contractor and how they will be delivered, including the site enabling works, how the Facility will be constructed and Health and Safety systems that will be implemented. Contractor's Method Statements shall set out in detail:

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 1.1a	Overall Project Programme – SO 1.1 Ref: 1.4	<p>Participants must submit an Overall Project Plan for the Service as a whole.</p> <p>This shall consist of a critical path analysis and appropriate Gantt charts, showing as a minimum:</p> <ul style="list-style-type: none"> (a) dates for preparation/determination/issue of consent for planning and permitting Consents, including key stages of preparing an EIA if required; (b) the programme intended stage to carry out pre-application consultation for all necessary Consents; (c) dates/timing of key stakeholder engagement activities pre and post submission of applications for necessary Consents; (d) dates for the finalisation and determination of any Planning Application dates for the 	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>finalisation, submission and determination of all other necessary Consents;</p> <p>(e) works commencement, commissioning and completion dates for each Facility;</p> <p>(f) all longstop and deadline dates;</p> <p>(g) the dates by which the Participant will have taken measures to manage all targets set out in the Authority's Requirements;</p> <p>(h) and any other key deliverable dates;</p> <p>(i) dates related to the availability of services or facilities provided by third parties an indication of the critical path(s) and where float lies within the project timetable. The critical path items indicated must subsequently be related to the (construction) Contingency Plan;</p> <p>(j) and a detailed commentary and explanation of the overall Project timetable focusing on the robustness of the programme and approach to risk and slippage management.</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 1.1b	Works requirements – SO 1.1 Ref: 1.4 – 1.26	<p>A detailed Construction Programme(s) covering all elements of the proposed Works for each Site and shall include as a minimum:</p> <ul style="list-style-type: none"> (a) start of preliminary design; (b) expected appointment date for Sub-Contractors; (c) Planning Permission secured; (d) conditions detailed in the Planning Permission to be satisfied by the Contractor; (e) site possession; (f) start of civil construction; (g) start of mechanical and electrical (M&E); (h) start of Cold Commissioning; (i) start of Hot Commissioning; (j) start of Acceptance Tests; (k) Environmental Permit delivery date; (l) acceptance of Contract Waste for treatment at 	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>the Facility(ies);</p> <p>(m) Service Commencement Date; and</p> <p>(n) key dates related to major milestones within the construction phase including but not restricted to completion of key sub-construction phases, delivery of major pieces of Equipment, completion of erection of major Equipment.</p> <p>Identify the risks associated with the Construction Programme(s) and shall highlight any Authority risks and the Participant's proposed mitigation measures.</p> <p>A Description of Works to be provided in order to deliver the Service.</p> <p>Details of all construction (including demolition and clearance) works. Details of all plant & equipment to be installed.</p> <p>Key dates for access to sites.</p>	
MS 1.2	Works Delivery Plans – SO 1.1	The Works Delivery Plan will give detailed statements of how the works will be delivered: details of what the works are; design, tendering and	Arrangements for managing the procurement of long lead items. Including a list of long lead items.

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 1.27 – 1.35 Ref: 1.54 – 1.60	<p>construction process and the commissioning process. How contractor will deliver best price and quality. How contractor will deal with delay.</p> <p>The Works Delivery Plans shall include:</p> <p>the tendering process and evaluation criteria when selecting Sub-Contractors for any aspect of the Works (to be provided under MS part B);</p> <p>(a) A project management structure for the delivery of the Works;</p> <p>(b) methods for ensuring Sub-Contractor(s) meet set dates for completion;</p> <p>(c) details of proposed forms of Sub-Contract with confirmation that contractual arrangements are consistent fully with Project Agreement and WG/WIDP guidance relating to step down arrangements. The response should include all parties involved and their roles and responsibilities;</p> <p>(d) site details (introduction, location, size, land ownership control and availability, general arrangement drawing of proposed Works);</p>	<p>Detailed description of how the Contractor will deal with delays in the programme. Specify planning and construction fall back and contingency arrangements.</p> <p>Details of what input is required from the Client and when they are required. Arrangements for cost management and control.</p> <p>Where EPC or Sub-contractors are in place or proposed, provide details of how they will reduce risks associated with delivering the design and construction of the facilities.</p> <p>Details of how the supplier choice for equipment and plant will reduce risks associated with design compatibility/plant interface issues, the construction and operation of the facilities.</p>

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<ul style="list-style-type: none"> (e) plant & equipment to be installed and the technology suppliers; (f) details of any Sub-Contractors and major suppliers including the extent of the sub contract package; (g) proposals and policies for the sourcing of materials, labour and suppliers; (h) planning approvals and building consents required; (i) site licences and environmental permits; (j) approach to and accordance with IPPC, where relevant; (k) guarantees and warranties obtained for plant and equipment; (l) specify planning and construction fall back and contingency arrangements; (m) approach to site design; (Role of engineer-designer-planning supervisor, Arrangements for design quality assurance, Arrangements for the management of the design database and version control, Arrangements for design 	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>integration between disciplines and Sub-Contractors, Arrangements for change control.);</p> <p>(n) Technology and design flexibility and future proofing – opportunities for scaling, upgrading, development over long-term, for example, the incorporation of additional Equipment;</p> <p>(o) Arrangement for appropriate stakeholder engagement/consultation in developing the design;</p> <p>(p) detailed Design Proposals – Architecture, Landscape & Design Features;</p> <p>(q) design Development Procedure – Architectural and Engineering drawings for each Waste Management Facility;</p> <p>(r) design contract schedules and specifications;</p> <p>(s) supervision and quality management arrangements including certification;</p> <p>(t) commissioning tests and ready for use criteria, including details of Independent Certifier(s) service mobilisation and transition, including</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>any phasing of construction to meet with a phased delivery of the Service.</p> <p>In addition the Works Delivery Plan should also include a construction phase programme detailing key activities and target dates and identifying the critical path for the construction phase. This should also include drawings detailing the key phases of the Works on each Site in line with the proposed Construction Programme(s) and show, as a minimum:</p> <ul style="list-style-type: none"> (a) construction areas; (b) access and circulation arrangements; (c) storage and layout areas; (d) office accommodation; and (e) parking etc. <p>Please note that the Planned Service Commencement Date shall be no earlier than 01 April 2016.</p> <p>Project Management arrangements.</p> <p>Construction Management, Construction Design</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Management, and Construction Quality Assurance arrangements.</p> <p>Provide a list of drawings required for the system description and management needs which would cover civils, mechanical and electrical and the individual components of the system.</p> <p>Identify the key staff that will interface with the Partnership during the Facility's development process and how that interface will be managed.</p>	
MS 1.3	Advanced Enabling Works – SO 1.1 Ref: 1.8 – 1.9	<p>Advanced Enabling Works description and content Programme for Advanced Enabling Works.</p> <p>Reason for/benefit of Advanced Enabling Works.</p>	
MS 1.4	Civil and Building Works – SO 1.2 Ref: 1.36 – 1.42	<p>Key Construction Standards to be used.</p> <p>Proposals to demonstrate how the Civil, Building works and design will be in accordance with industry standards and best practice.</p> <p>Mechanical and electrical specifications.</p> <p>Details of the employee specifications for the works.</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 1.5	BREEAM Standard – SO 1.3 Ref: 1.39 (d)	<p>BREEAM Standard delivery statement.</p> <p>Provide a Site Waste Management Plan to address waste minimisation, use of recycled materials and the efficient and sustainable use of resources in the construction of the proposed Facility(ies).</p> <p>The Site Waste Management Plan should include:</p> <ul style="list-style-type: none"> (a) description of the process products and residues resulting from construction and demolition activities and identification from where it arose; (b) on site processing/reuse requirements; and (c) market and destinations for products arising from construction and demolition. <p>Details of how the Partnership will be involved in the design development process and how they will be kept informed and able to influence key design decisions.</p>	<p>Approach to delivering the aspirational BREEAM Standard “Excellent” delivery including award;</p> <p>Details of the management, audit and verification process to ensure delivery of the Specified award and standard (whether this will be through the use of an Interim Award, internal audits or a combination of both).</p> <p>Content Scoping for the Award.</p> <p>Sources that will be used to identify target standards for the BREEAM process.</p> <p>Information and involvement that will be required from the Partnership for the Project – Please also complete the BREEAM Pro-forma contained in Appendix 13 Part 8.</p>
MS 1.6	Design Standards – SO 1.4	<p>Schedule of design standards for key elements</p> <p>List of key Design Drawings.</p>	<p>List of design constraints.</p> <p>Identify any unresolved sources of design input and provide proposals for their resolution e.g. planning</p>

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 1.48 – 1.53	<p>List of key Design Parameters.</p> <p>List of design documents and content.</p> <p>Details of Landscape design features including the purpose of the feature e.g. buffering, mitigation, screening etc.</p> <p>Details of Architectural Design concept and proposals including; materials for external faces, volumes and building massing, heights, orientation and spatial distribution and boundary treatments. Include elevations and photomontage in the setting of the site and general surroundings.</p> <p>Operational layout drawing(s) showing circulation within the Site(s) and Delivery Points for Contract Waste, storage areas, offices, Visitor Centre, parking and amenities.</p> <p>Participants should provide information on elements of the design that may constitute added value and/or innovation regarding the proposed Solution.</p> <p>Provide detailed drainage and sewerage requirements in relation to the Site(s) (state key design assumptions and discharge points) together</p>	<p>Partnership, 106 agreements, EA, Local community, mitigation of impacts.</p> <p>Please use the photomontage requirements Proforma provided by the Partnership contained in Appendix 13 Part 9 Facility Photo Montage.</p>

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>with appropriate plans (surface water drainage and foul water drainage plans).</p> <p>Provide details of any easements and wayleaves required and set out the strategy to overcome any constraints set out in discharge consents.</p> <p>Provide requirements for:</p> <ul style="list-style-type: none"> (a) water service and assumed utility supply points, any required easements and wayleaves and relevant volume or quality constraints; (b) electricity service and utility supply points, works needed to deliver appropriate utilities to the Site, including evidence of engagement and consultation with statutory undertakers, required easements and wayleaves; and provision for the export of electricity from the Site(s) of the Facility(ies); (c) gas service and utility supply points and works needed to deliver appropriate utilities to the Site, including evidence of engagement and consultation with statutory undertakers; (d) telephone service and utility supply points, 	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>works needed to deliver appropriate utilities to the Site, including evidence of engagement and consultation with statutory undertakers.</p> <p>Visitor Centre Specific detail:</p> <ul style="list-style-type: none"> • Design Criteria; • Layout Drawings; • Detailed specification of content and finishes; • Projection system details; • Furnishings. 	
MS 1.7	<p>Planning and Permitting – SO 1.4</p> <p>Ref: 1.43 – 1.47</p>	<p>Programme for obtaining Planning Permission and the programme for obtaining the Environmental Permit Programme for other permissions and utilities connections/diversions.</p> <p>What surveys will/have been undertaken and extent including Flood Consequences Assessments and intrusive ground conditions investigations?</p> <p>The programme shall set out the key stages of the application process including: documents required;</p>	<p>Current status of all applications including details of the pre-planning application discussion undertaken with the Planning Partnership and in particular the outcome/status/timescales following the request for a formal scoping opinion.</p> <p>Current position with surveys.</p> <p>Current status of architectural treatment development and CABE.</p> <p>Landscape impact assessment.</p>

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		surveys; consultation; statutory waiting periods; key dates for all permissions required.	<p>Design Access Statement.</p> <p>Contaminated Land assessment and requirements.</p> <p>Baseline survey for Environmental Permit.</p> <p>Evidence from regulatory bodies of acceptance of proposals to mitigate flood risk and contamination where mitigation is relevant</p> <p>Please complete relevant sections of the Third Party Site Pro-forma in Appendix 13 part 7. In addition please also complete the Permitting, Consents and Permissions Pro-forma contained in Appendix 13 Part 4.</p> <p>Evidence that the planning and permitting timetables proposed for preparation and determination are realistic and deliverable.</p>
MS 1.8	Site Access and Circulation – SO 1.5 Ref: 1.61 – 1.67	Operational layout drawing, on a general arrangement plan, including traffic circulation within the site and delivery points for Contract Waste, waste reception and storage areas, emergency tipping bays, waste quarantine areas, any weigh bridges, fuel points, wash bays, repair workshop, waste process areas (e.g. mechanical separation), pollution control areas, storage areas of output	Participants are required to Complete the treatment technology and Site Sheet within the excel based Technical Solution Pro-forma contained in Appendix 13.

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>products, amenity areas and visitor centre, landscaping.</p> <p>Works specific Environmental Impact Control Plan to include:</p> <ul style="list-style-type: none"> • A list of environmental impacts relating to the Works; • Detailed methods for mitigation of the environmental impacts during the Works; • Details of how delivery of the Works will comply with all relevant environmental legislation. 	
MS 1.9	<p>Works Health and Safety – SO 1.6</p> <p>Ref: 1.68 – 1.74</p>	<p>Health and Safety Plan is split into 3 sections (Works, Commissioning and Operations). Collectively the H&S Plan forms part of QAEMS H&S system, but also details H&S as part of CDM requirements during construction phase.</p> <p>During any works or operational phase, good health and safety cultures shall be developed and maintained, and employ good housekeeping techniques, written procedures, Risk Assessments and safe systems of work. Regular progress meetings shall be a feature, with health and safety</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>a standard agenda item.</p> <p>In respect of any construction processes falling under the CDM Regulations 2007, please identify your CDM coordinator and their relevant experience/competency (whether internal or external)</p> <p>Please also provide confirmation that the design and processes for the design will be compliant with the CDM Regulations, identifying any relevant issues of which the Authority should be aware</p> <p>In particular the works element of the plan should include the following:</p> <p>Identification of how a good health and safety culture will be developed during the Works.</p> <p>Identification of written health and safety procedures.</p> <p>Identification of the risk assessment procedures and safe systems of work.</p> <p>Identification of key personnel involved in developing and implementing the H&S plan, including their qualifications and training.</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Proposals for the review of risk assessments, Control of Substances Hazardous to Health register, fire safety controls, method statements and safe systems of work.</p> <p>The process for health and safety inspections and the management of any issues identified.</p>	
MS 1.10	Works Quality and Environmental Management System – SO 1.1 Ref: 1.27 – 1.30	<p>Details of the Environmental and Quality management systems that will be implemented throughout the Works Period.</p> <p>Evidence or confirmation that the Works Contractor(s)' management system(s) are certified to CEN ISO Standards Contractors.</p> <p>The person or persons responsible for the implementation of the systems together with how their requisite experience and qualifications can be applied to this project.</p> <p>Detailed proposals to ensure that all construction work is subjected to documented and auditable construction quality management and assurance.</p> <p>Detailed proposal to ensure that all construction work has been subjected to documentation and</p>	<p>Example Documents.</p> <p>List of project specific procedures.</p> <p>An overview description of the systems and their coverage together with core documentation that will be relevant to this project and a list of standard operating procedures that will be put in place to manage the Service.</p> <p>Details of the content of audit reports.</p>

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>auditable environmental management.</p> <p>Procedures for ensuring that the Partnership are at all times in possession of the current version of all documents to which it is entitled under the Project Agreement.</p>	
MS 1.11	Reporting – SO 1.7 Ref: 1.75	Works and construction programme reporting arrangements.	
MS 1.12	As Built Drawings and Manuals – SO 1.7 Ref: 1.77 – 1.80	<p>(Outline response required at ISFT).</p> <p>[Operational Manual (not required until post contract award) The manual describes all operational activities necessary for each of the Technologies used to deliver the Service. The Operation Manual shall set out:</p> <ul style="list-style-type: none"> (a) a detailed Process Flow Diagram and Mass Balance Diagram for the whole of the Facility; (b) individual detailed process flow diagrams for each treatment operation; (c) a detailed list of fixed and mobile plant; (d) a detailed parts and equipment location plan for the Facility identifying operational plant and 	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>maintenance points;</p> <p>(e) a detailed list of operational and management staff including their functions duties and reporting arrangements;</p> <p>(f) a full description of the activities needed to operate the Facility on a day to day basis and how the activities interact;</p> <p>(g) a full description of health and safety requirements and activities including Risk Assessments;</p> <p>(h) details of emergency procedures;</p> <p>(i) contact details for manufacturers and support; and</p> <p>(j) detailed maintenance procedure necessary to comply with the Maintenance Plan.].</p> <p>As Built Drawings:</p> <p>A list of drawings required in compliance with construction, design and management regulations, the Contractor shall supply a full set of As Built Drawings to the Councils within 1 month of date of issue of the Acceptance Certificate. Data to be</p>	

1.0 Works Method Statements		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>provided in hard copy and editable electronic format.</p> <p>A full and detailed description of the activities needed to operate the Facility on a day to day basis and how the activities interact.</p> <p>A detailed list of fixed and mobile plant.</p> <p>Procedures for annual review and updating of the Operational Manual and ensuring that the Partnerships hold the current version of the Manual.</p>	

2.0 Commissioning Requirements

Introduction

This part of the Contractor's Method Statements shall set out in detail the commissioning and testing process that will be undertaken in order to determine that the construction process for any item of works is complete and that the works are performing to the standard required by the commissioning party and the Authority's Requirements. It shall identify all works items [(and associated Service activities identified in the Commissioning Section of the Authority's Requirements Section 2)] and how they will be completed, including the cold commissioning, hot commissioning, commissioning report, site mobilisation and transition arrangements and Health and Safety systems that will be implemented [(and associated Service activities identified in the Commissioning Section of the Authority's Requirements; Section 2)]. Contractor's Method Statements shall set out in detail:

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 2.1	Commissioning Requirements – SO 2.1 Ref: 2.1 – 2.6	<p>The Plan is a statement of all testing procedures and commissioning processes that will be undertaken during and at the end of the construction process to demonstrate that all “works” have been designed and constructed to the specifications and are ready for use.</p> <p>Commissioning Plan shall include but not be limited to the Contractor's Method Statements for:</p> <p>(a) cold commissioning of individual equipment and facilities including the process for acceptance and hand over of the civil engineering infrastructure;</p>	<p>Details of the Partnership involvement in Commissioning process. In particular; the Key Contractor staff with whom they will liaise; how the interface will be managed; arrangements for the Partnership to witness Acceptance Test set out in the Authority's Requirements; the sign off procedure by the Partnership for Acceptance Tests set out in the Authority's Requirements.</p>

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>(b) the process to achieve the Readiness test;</p> <p>(c) hot commissioning of the Works including the incremental acceptance, processing and treatment of Contract Waste; and</p> <p>(d) the Acceptance Tests</p> <p>The Testing and Commissioning Plan shall also include the timeline for all facilities including civil engineering and building works.</p> <p>A diagram showing key elements/phases of commissioning and identifying certification/acceptance/handover points.</p> <p>Details of the commissioning and acceptance procedures for the civil engineering works and support infrastructure including timescales and specific acceptance tests for this phase.</p> <p>Details of the cold commissioning process and acceptance procedures for the treatment processes including timescales and specific acceptance tests for this phase.</p> <p>The Project Agreement sets out the Authority's proposals for the certification and commissioning of</p>	

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>a new Facility(ies). As part of these arrangements, the Authority requires the appointment of an Independent Certifier.</p> <p>Participants must state the following:</p> <ul style="list-style-type: none"> (a) proposed identity of the Independent Certifier; (b) a proposed brief and scope of services for the Independent Certifier, including details of the tests proposed to pass stage 2 of the Environment Agency's application process for new plants or modified plants (<i>Briefing note Qualifying for R1 status using the R1 energy efficiency formula Waste (England and Wales) Regulations 2011 Version 1 - August 2011</i>); (c) confirmation that the level of the Independent Certifier's insurance cover will be no less than £10 million for any one occurrence. <p>(Any appointment under this element of the Project Agreement must be strictly independent. Appointments shall not be made to any member of the Participant's corporate group, nor have financial or ownership interest in the consortia and the consortia shall not have a financial or ownership interest in the Independent Certifier or any member</p>	

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		of its corporate group).	
MS 2.2	Commissioning Requirements SO – 2.2 Ref: 2.1 – 2.6	<p>Details of Hot Commissioning process and acceptance procedures including timescales and specific acceptance test for this phase. This shall include but not be limited to:</p> <p>Details of the sign off and hand over arrangements at each phase of commissioning;</p> <p>Quantities of waste required for the hot commissioning process (daily basis with weekly totals);</p> <p>Programme for waste delivery e.g. start date, delivery profile, period for which deliveries are required;</p> <p>Identify any operational activities by the Partnership that will be affected by commissioning and how they will be managed including timescale e.g. types and quantities of waste, waste delivery, transfer loading operation, transport, staff and landfill;</p> <p>Arrangements for confirming/delaying deliveries of waste/changes in quantities or delivery profile;</p>	

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Specific Acceptance Tests required by the Partnership (Section 2 of the Authority's Requirements);</p> <p>Acceptance Test required by the Contractor;</p> <p>Identify any performance towards key contract targets that will be achieved during commissioning.</p> <p>Identify how the contractor will address induction, Health and safety, vehicle familiarisation and other training required for commissioning and in advance of the Services Commencement Date, taking account of any TUPE transfer staff.</p>	
MS 2.3	<p>Service Mobilisation and Transition – SO 2.2</p> <p>Ref: 2.7</p>	<p>The Service Mobilisation and Transition Plan sets out the service start up process and transition to contractor operation, and will include process and activities to be undertaken to place the Contractor in a position to deliver the service and transition activities required to transfer the operation from the Councils to the Contractor.</p> <p>The Plan shall include:</p> <p>Pre-operation mobilisation plan (describing the Contractor's mobilisation process to be in a position</p>	

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>to deliver the Service).</p> <p>Post operational start date transition plan (describing the Contractor's mobilisation that will be necessary to deliver the Services).</p>	
MS 2.4	Commissioning Reporting – SO 2.3 Ref: 2.8	<p>Delivery of Monthly reporting as described in the Monthly Commissioning Progress Report this is a simple report identifying progress against commissioning programme setting out successful completions and identifying any issues. The report will measure progress against programme and forthcoming commissioning tasks.</p>	
MS 2.5	Commissioning Quality and Environmental Management System – SO 2.3 (cont.) Ref: 2.9 – 2.12	<p>Details of the Environmental and Quality Management Systems that will be implemented throughout the Commissioning Period.</p> <p>Evidence or confirmation that the commissioning Contractor(s)' management system(s) are certified to CEN ISO standards.</p> <p>The person or persons responsible for the implementation of the systems together with how their requisite experience and qualifications can be applied to this Project.</p> <p>Procedures for ensuring that the Partnership are at</p>	<p>Example Documents:</p> <p>List of project specific procedures.</p> <p>An overview description of the systems and their coverage together with core documentation that will be relevant to this Project and a list of standard operating procedures that will be put in place to manage the Service.</p> <p>Details of the content of audit reports.</p>

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		all times in possession of the current version of all documents to which it is entitled under the Project Agreement.	
MS 2.6	Commissioning Health and Safety – SO 2.4 Ref: 2.13	<p>Health and Safety Plan is split into 3 sections (Works, Commissioning and Operations). Collectively the H&S Plan forms part of QAEMS H&S system, but also details H&S as part of CDM requirements during construction phase.</p> <p>During any works or operational phase, good health and safety cultures shall be developed and maintained, and employ good housekeeping techniques, written procedures, Risk Assessments and safe systems of work. Regular progress meetings shall be a feature, with health and safety a standard agenda item.</p> <p>In particular the commissioning element of the plan should include the following:</p> <p>Identification of how a good health and safety culture will be developed during the commissioning.</p> <p>Identification of written health and safety procedures.</p> <p>Identification of the risk assessment procedures</p>	

2.0 Commissioning		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>and safe systems of work.</p> <p>Identification of key personnel involved in developing and implementing the H&S plan.</p> <p>Proposals for the review of risk assessments, Control of Substances Hazardous to Health register, fire safety controls, method statements and safe systems of work.</p> <p>The process for health and safety inspections and the management of any issues identified.</p>	

3.0 Service Requirements

Introduction

This part of the Contractor's Method Statements shall set out the day to day operational activities that will be undertaken in order to deliver the Service.

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 3.1	Landfill & BMW Diversion – SO 3.1 Ref: 3.1 – 3.4	<p>Arrangements for meeting the landfill and BMW diversion targets as set out in the Authority's Requirements.</p> <p>Bid back value (contained in Bid Back Form Appendix 4) of maximum tonnage of both Contract Waste and BMW sent to landfill against target set out in the Authority's Requirements.</p>	<p>A summary of the Service including an outline of how the proposed solution fulfils the overall scope of the Service.</p> <p>Participants to provide a justification and evidence for the diversion values provided in the Bid back forms.</p>
MS 3.2	Recycling and Composting – SO 3.1 Ref: 3.5	<p>Arrangements for meeting the recycling/composting target set out in the Authority's Requirements.</p> <p>Bid back value (contained in Bid Back Form Appendix 4). Subject to result of proposed WG consultation; the Contractor should assume that recycling rates are based on the overall recycling performance of the Facility (including front end rejects that are not classified as Ad-hoc Waste). Also the weight of IBA that shall count towards the recycling rate shall be based on the weight of IBA</p>	<p>Participants to provide a justification and evidence for the diversion values provided in the Bid back forms, demonstrating their full workings within the waste flow and mass balance models.</p>

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>delivered to the IBA reprocessor for recycling including all metals. As detailed in Appendix G of the Authority's Requirements.</p> <p>The Assessment is based on Guaranteed levels of recycling.</p>	
MS 3.3	Recovery – SO 3.1 Ref: 3.6 – 3.7	<p>A statement whether the proposed Solution will qualify as recovery under the Waste Framework Directive.</p> <p>Details of arrangements and calculations to demonstrate compliance with the Waste Framework Directive's (Directive 2008/98/EC) definition of Recovery (R1 Calculation).</p> <p>Procedures and timetable for stages 1, 2 and 3 of the R1 application to the Environment Agency based on the design information that meets Stage 1 of the R1 application process for new and modified plant <i>Briefing note</i></p> <p><i>Qualifying for R1 status using the R1 energy efficiency formula Waste (England and Wales) Regulations 2011 Version 1 - August 2011).</i></p>	Participants are required to Complete the Energy Calculations Sheets 2 to 4 within the excel based Technical Solution Pro-forma contained in Appendix 13.

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 3. 4	CHP – SO 1.1 Ref: 1.16	<p>Arrangements for meeting the requirement of “CHP Enabled.” CHP Enabled being defined as:</p> <p>designed to allow a combined heat and power solution to be developed during the Contract Period.</p> <p>Please provide details of additional infrastructure requirements for CHP implementation and how the Contractor will ensure that the Service is not disrupted during CHP implementation.</p> <p>Where the contractor intends to deliver a complete combined heat and power solution or a CHP Enabled Solution; describe the content and extent of the scheme; the overall programme; the mechanism through which this will be delivered; and the decision ‘to proceed or not to proceed’ decision points and criteria that will be applied at stages throughout delivery.</p>	<p>Description of any proposals/opportunities for CHP</p> <p>Identify benefits to the Partnership of successful delivery of the CHP scheme. Provide supporting evidence of viability including a heat plan that indicates user loads and connection timescales and an outline financial appraisal. Please complete the CHP Pro-forma contained in Appendix 13 part 5.</p> <p>A technical review of the appropriateness any additional Capital and Operating Costs will be undertaken and discussed in dialogue, however costs will not be evaluated as a part of the technical submission.</p>
MS 3. 5	Sustainability and Carbon Management – SO 3.1	A detailed description of how the Contractor will progressively reduce the carbon impact of the Service over the Contract Period and contribute to the Partnership's targets for climate change, carbon emission and the use of green energy and	<p>The WRATE model for the Contractors' solution. Please follow the WRATE Pro-forma instructions contained in Appendix 13 Part 3.</p> <p>Participants must provide justification for the</p>

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 3.8 – 3.10	<p>energy costs.</p> <p>The Sustainability and Carbon Management Plan is a requirement in the Performance Framework and shall state:</p> <ul style="list-style-type: none"> (a) The design and construction criteria and objectives that will be used to provide an energy efficient and sustainable Facility and Service; (b) The design and construction criteria and objectives that will be used to minimise the carbon impact of the Facility and the Service; (c) The design and construction criteria and objectives that will be used to minimise the climate change effects of the Facility and the Service; (d) The baseline against which initial performance and progressive improvement will be measured; (e) The steps that will be taken to provide continuous improvement; 	carbon savings proposed.

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		(f) The annual targets that will be achieved; (g) How compliance with the targets and objectives will be measured and performance against them certified; (h) How the proposed steps will assist the Partnership in achieving the targets for climate change, carbon emissions and use of green energy; and (i) The review process for the Sustainability and Carbon Management Plan.	
MS 3.6	Environmental Management – SO 3.2 Ref: 3.14 – 3.19	The Environmental Impact Control Plan forms part of the QAEMS system to minimise the environmental impacts of transporting, receiving, treating and disposing of Contract Waste and Third Party Waste including but not limited to the impacts from: (a) <ul style="list-style-type: none"> i light ii noise 	

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<ul style="list-style-type: none"> iii vermin and other pests iv litter v flies vi dust vii emissions viii odour ix traffic x invasive/injurious weeds, and (b) process and procedures for monitoring and monthly reporting; (c) to meet the environmental conditions contained and referred to within the Consents; (d) to meet all Legislation; and (e) where practical, minimise amenity impacts on the local population, with respect to the Site and all Contractor operations and activities 	

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>external to the Site.</p> <p>The Environmental Impact Control Plan should also include:</p> <p>A list of environmental impacts.</p> <p>Detailed methods for mitigation of the environmental impacts.</p> <p>Details of how delivery of the Service will comply with all relevant environmental legislation.</p> <p>Identification of the person responsible for implementing the Environmental Impact Control Plan.</p> <p>Arrangements for regular review of the Environmental Impact Control Plan.</p> <p>Details of monitoring to ensure compliance with the Environmental Control Plan.</p> <p>Proposals for recording the effects and success or otherwise of the Environmental Control Plan.</p> <p>Proposals for informing the public and stakeholders of the environmental performance of the Service</p>	

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>against defined targets and objectives.</p> <p>Environmental Impact Control Plan as described in Appendix E of the Authority's Requirements.</p> <p>A Health Impact Assessment of the Facility.</p> <p>The Contractor shall provide details of all emissions and discharges to air, water and land including a graph comparing the WID limits for emissions against the contractors expected operational emissions levels and also the minimum possible levels of emissions from the systems proposed.</p>	
MS 3.7	Contingency – SO 3.3 Ref: 3.20 – 3.26	<p>Contingency Plan described as follows:</p> <p>An evaluation of the whole of the Service to identify areas and activities where failure might occur that may affect the delivery of the Service or the ability of the Partnerships to deliver Contract Waste.</p> <p>Identification of critical service elements, including transfer operations as appropriate, where contingency arrangements are necessary or desirable to ensure continued delivery of the Service.</p>	

3.0 Service Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Detailed arrangements to manage planned/unplanned short term interruptions to any part of the Service.</p> <p>Detailed arrangements to manage planned/unplanned medium to long term interruptions to the Service.</p> <p>Provide details of how the Service will be provided during non availability of key facilities.</p> <p>Specific contingency arrangements for IT failure and data recovery/security.</p> <p>Notification arrangements and timescales for commencing and ending working to the Contingency Plan or any part thereof.</p>	

4.0 Operational Interface

This part of the Contractor's Method Statements shall set out the details of the operational interface required in order to deliver the Service.

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 4.1	Disaster Recovery – SO 3.3 Ref: 3.27 – 3.28	<p>This plan shall set out what Participants consider to be a disaster and identify key activities required to reinstate the service.</p> <p>The Plan shall:</p> <ul style="list-style-type: none"> (a) Include a flow diagram to show how the Disaster Recovery Plan is implemented and adhered to, to ensure compliance once it is instigated. This should include reporting and recording procedures; (b) Include a description of roles and responsibilities of key personnel and identify the chain of command; (c) Provide the communications protocols for contact with the following groups; <ul style="list-style-type: none"> i Internal Staff; ii Emergency Services; 	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<ul style="list-style-type: none"> iii Regulatory Bodies e.g. Environment Agency, Health and Safety Executive; iv City Council Contacts – Contract Management Team & Senior Officers; v City Council Related Parties; vi Participant sub-contractors; vii The General Public; and viii The media. 	
MS 4.2	Receipt of Contract Waste – SO 3.4 Ref: 3.29 – 3.35	<p>The Waste Acceptance Plan is a requirement in the Performance Framework, and will state how the Contractor will accept and manage Contract Waste, including both in commissioning and full operation.</p> <p>The Plan shall identify:</p> <ul style="list-style-type: none"> (a) the point(s) at which it shall accept Contract Waste (the specific delivery points); (b) a Schedule of Deliveries that has been agreed with the Councils; 	Identify how the delivery of the Service will support, interface and integrate with the Partnership services, such as refuse collection, street cleaning etc.

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>(c) waste acceptance criteria - which shall mean criteria for the types of waste that the Contractor will accept for each of the various processes, including treatment, that it will have in place to manage Contract Waste;</p> <p>(d) a protocol for applying the Waste Acceptance Plan including inspection of deliveries;</p> <p>(e) a protocol for dealing with Unacceptable Waste (which shall mean waste that is unsuitable for treatment processes and that will be managed by an alternative method by the Contractor);</p> <p>(f) a protocol for dealing with Contaminated Waste which shall include a definition of Contaminated Waste and a procedure for the inspection of deliveries;</p> <p>(g) a protocol for recording deliveries including waste classification and weighing; to satisfy the requirements of Waste Dataflow and Duty of Care; including weights, time of delivery, source of delivery, E.W.C. Codes, vehicle registration details;</p> <p>(h) a protocol for dealing with Third Party Waste</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>such that any residues arising from its treatment do not compromise the Councils position in terms of quantities and biodegradable content of residues arising from the treatment of Contract Waste; and</p> <p>(i) a protocol for rejecting and refusing entry to unauthorised vehicles (i.e. not pre notified to the Contractor by the Councils or not on the Contractors approved list of vehicles) and shall not allow them to deliver waste. The Contractor shall record all such deliveries including the vehicle registration number and source and shall send a copy of the details to the Councils.</p> <p>(j) In addition the Waste Acceptance Plan shall identify the types of waste that will be dealt with by treatment at the Facility(ies) differentiating between Contract Waste and Third Party Waste and discrete handling of Third Party non-accepted waste.</p> <p>(k) The types of waste that will be dealt with by only a part of the Facility, or will not be dealt with by treatment at the Facility(ies) but by handling, storage and onward disposal or</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>treatment elsewhere.</p> <p>(l) Identify the procedures and activities that will be put in place following the delivery of Unacceptable Contract Waste.</p>	
MS 4.3	Waste Delivery Vehicles – SO 3.4 Ref: 3.33	<p>Arrangements for accepting delivery vehicles types.</p> <p>Handling arrangements for wet loads.</p>	Ability to accept changes in vehicle types.
MS 4.4	Waste Delivery Times – SO 3.4 Ref: 3.31	Opening Hours for waste acceptance.	
MS 4.5	Turn Around Times – SO 3.4 Ref: 3.34	<p>Arrangements for meeting the 20 minute turnaround times. (Measured per Vehicle from the site entrance to the outgoing weighbridge).</p> <p>Arrangements for monitoring queuing in advance of the inward weighbridge.</p>	
MS 4.6	Third Party Waste and Benefit Sharing – SO 3.5	<p>The Plan shall include:</p> <p>(a) the sources of Third Party Waste to be accepted;</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 3.36 - 3.39	<ul style="list-style-type: none"> (b) the type of Third Party Waste to be accepted; (c) projected quantities of spare capacity and Third Party Waste to be accepted annually; (d) measures to give priority to Contract Waste over Third Party Waste; (e) method of identifying and recording amounts of Third Party Waste separate from Contract Waste and procedures for the notification of the Partnership of the quantity, source, nature, composition and calorific value of Third Party Waste accepted at the Facility(ies); (f) measures to ensure Third Party Waste does not compromise the performance of the Facility(ies); (g) measures to maintain a separate audit trail for Contract and Third Party Waste; (h) details of the financial benefits (and any other additional benefits) to the Partnership of accepting and processing Third Party Waste at the Facility(ies); and (i) proposals for procuring commercial tonnage if 	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>required in order to meet tonnage input, third party tonnages controlled, geographical spread of third party waste, waste composition or waste specification requirements, for example, CV specifications;</p> <p>(j) details of how performance of the facilities will be affected should the required third party waste not materialise;</p> <p>(k) proposals for the sourcing and management of third party waste during the commissioning period;</p> <p>(l) incorporate the Contractor's approach to ensuring that reasonable endeavours are made to fill the Facility with 3rd Party waste. The Contractor shall provide a clear approach to minimising the financial impacts associated with any shortfall in Contract Waste below the minimum level assumed under the Guaranteed Minimum Payment delivered to the facility. The Contractor shall provide details on monitoring, managing and reporting waste flows through the Facility, the notification process should the Partnership's waste fall below the anticipated Guaranteed Minimum</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Tonnage profile for a particular month, the compounded impact and the process of annual reconciliation.</p> <p>(m) Please provide details of the Contractor's approach to managing Additional Waste provided by the Authority.</p>	
MS 4.7	Communications, Liaison and Public Relations – SO 3.6 & 3.7 Ref: 1.81 – 1.88 Ref: 3.40 – 3.50	<p>Input to the Stakeholder Communications Plan will involve the Councils.</p> <p>The Plan shall include but not be limited to:</p> <p>(a) informing the local community of construction developments, changes, likely impact, control and timescales; throughout construction, commissioning and operations such as through media engagement, online communication, community newsletters and public/stakeholder events;</p> <p>(b) informing elected members and the public via local and Council meetings and provisions for ensuring that events are suitably marketed/advertised;</p> <p>(c) Enquires and Complaints Plan - enquiries and complaints management – contractor to</p>	<p>Identifying roles and responsibilities of those involved in communication between parties including contact details, skills and experience for all key personnel involved.</p>

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>record, contact the Councils, inform the complainant that it is passed to the Councils, undertake actions agreed with the Councils to resolve issues – Details to be provided in MS 4.8</p> <p>(d) the undertaking and supporting of education activities and the provision of space for group visits;</p> <p>(e) the hosting a positive programme of visits developed in partnership with the Councils;</p> <p>(f) provision of basic materials by the Contractor to facilitate communications and the setting up and administration of a site visit protocol;</p> <p>(g) provision of Service performance and activity information to assist with public relations and educational activities; and</p> <p>(h) Provisions for ensuring that the operations of the Facility are accessible to the public and the local community to include such items as online information/imagery demonstrating weekly emissions data and performance of the plant.</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		To include Waste Awareness and Education Plan (This plan is a requirement in the Performance Framework will give details of promotional and waste awareness and educational activities for the service will be delivered, with budgets/costings to support the Partners work to raise public awareness of waste issues.)	
MS 4.8	Enquiries and Complaints – SO 3.7 Ref: 3.42 – 3.50	<p>The Plan should also include the following:</p> <p>Arrangements for consulting with the Partnership to assist it in developing and delivering a communications strategy for the whole of the Service Period including working with and through the Joint Service Delivery Team and the Joint Service Management Board.</p> <p>Procedure for the review and updating of the Service Delivery Phase Stakeholder Communications plan.</p> <p>Identify communication activity areas, objectives and budgets.</p> <p>Identify monitoring methods and criteria for correspondence between parties.</p> <p>The Enquires and Complaints Plan Should also</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>include the following:</p> <p>Details of the process of receipt of complaints.</p> <p>Details on how questions, complaints and disputes relating to operations will be dealt with.</p> <p>Details on how the Partnership will be notified of these complaints.</p> <p>Details on timescales for dealing with complaints and disputes.</p> <p>Details on how these complaints will be closed out.</p> <p>Details on procedure for case of dissatisfaction or non close out of complaints.</p> <p>Procedure for 6 monthly review and updating of the complaints plan.</p> <p>Identify monitoring methods and criteria for correspondence between parties.</p>	
MS 4.9	Continuous Improvement – SO 3.9 & 10	<p>The Continuous improvement Plan shall include the following:</p> <p>A statement of improvement activities including</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 3.55 – 3.57	<p>how these will be measured and validated.</p> <p>Provide details of the proposed monitoring process.</p> <p>Provide details of rectification procedures.</p> <p>Provide details of the review process.</p> <p>This plan will list areas where continuous improvement will be active not specifically targeted at sustainability and carbon management e.g. better response times or better recycling performance.</p> <p>The plan should include a statement of continuous improvement targets including the base from which performance will be measured and validated. It should also provide details of the monitoring and review process.</p> <p>The Contractor shall identify ways in which to improve the services that are delivered over the life or the project and report these through the Monthly and Annual Service Reports.</p> <p>Potential areas of improvement may include the operation and maintenance of the physical plant,</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		quality of the recycled/recovered materials, compliance with legislation and the monitoring or measuring of client satisfaction (enquires, complaints, education). It may include improvements to management systems, reporting, training and safety systems.	
MS 4.10	Information and reporting – SO 3.11 Ref: 3.58 – 3.68	<p>Monthly Service Reports and Annual Service Reports as described in Appendix E of the Authority's Requirements.</p> <p>Arrangements for meeting the information and reporting requirements contained in the PMF.</p> <p>Provide details of the procedure that will be used to verify that data is correct (in the form of a standard operating procedure under the quality management system).</p> <p>Identify who will be responsible for the preparation of reports.</p> <p>Identify who will be responsible for the checking and verification of reports.</p> <p>Identify the procedure for correcting errors in reports. (in the form of a standard operating</p>	<p>Example service reports.</p> <p>Identify the sources of data that will be used to produce reports.</p> <p>Provide details of the format and media that reports will be produced and issued in.</p>

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>procedure under the quality management system).</p> <p>Identify who will be responsible for the authorisation of reports for issue.</p> <p>Provide details of how third party data will be recorded discretely from the Partnership data.</p> <p>The Contractor shall provide their method for weighing, sampling and analysing the bottom ash in order to meet the requirements of paragraph 3.12a of the Authority's Requirements.</p> <p>Please provide details of the Site Rules that the Authority will need to follow in order to carry out on Site Performance Monitoring.</p>	
MS 4.11	Information Management Systems – SO 3.11 cont. Ref: 3.58 – 3.60	<p>Arrangements for information and communications management;</p> <p>Providing and maintaining hardware and software interfaces between Contractor operational and management data systems and the Authority's data systems including:</p> <p>Hardware: Identify key hardware for data recording and management equipment to be used including; description; type and make; ownership; projected</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>lifetime; replacement and maintenance arrangements.</p> <p>Software: Identify key software for data recording and management equipment to be used including; description; type and make; ownership; projected lifetime; replacement and maintenance arrangements.</p> <p>Identify how you will ensure that software is compatible with the Authority's systems where an interface is necessary.</p> <p>Identify how you will ensure that hardware is compatible with the Authority's systems where an interface is necessary.</p> <p>Interfaces: Identify Key interfaces between Contractor and the Authority's Systems and how these will be: put in place; operated; maintained.</p> <p>Hardware and Software: Arrangements for the upgrading of hardware and software to prevailing standard throughout the Contract Period.</p> <p>Provide details of how data will be stored and secured against loss.</p>	

4.0 Operational Interface (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Data security and data backup arrangements.</p> <p>Contingency Arrangements in relation to the Information Management Systems (Part of the Contingency Plan as described in Appendix E to the Authority's Requirements).</p>	

5.0 Facilities and Contract Management

This part of the Contractor's Method Statements shall set out the details of the facilities and contract management systems required in order to deliver the Service.

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 5.1	Facilities –	Waste Flow Model (please complete the Waste flow Pro-forma contained in Appendix 13 Part 3).	Detailed Technical Schedules.
	SO 1.1	Mass Balance Diagram.	Participants shall demonstrate how their choice of technology and overall technological solution for this project is capable of operating effectively at the required input capacity, using the feedstock source and type provided and, emissions standards. Participants are required to Complete the treatment technology and Site Sheet within the excel based Technical Solution Pro-forma contained in Appendix 13.
	SO 1.4	Process Flow Diagram.	
	SO 3.1	Risk Assessments (designer).	
		General arrangement.	
		Cross sections.	
		Technologies to be provided (process type manufacturer supplier) including; waste handling/storage areas indicating days of buffer capacity, treatment technologies with number of lines and capacity.	
		Energy Balance Information – Please complete the Energy Balance Pro-forma contained in Appendix	

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		13 Part 2.	
MS 5.2	Facilities – SO 1.1 SO 1.4 SO 3.1	Performance Guarantees – Provide details of each Facility availability guarantees. Please demonstrate how you can substantiate each guarantee proposed. Arrangements for providing guarantees and warranties to the Partnership.	Designers Health and Safety Risk Assessment for key elements of the solution including vehicle routing and handling areas.
MS 5.3	Facilities – SO 1.1 SO 1.4 SO 1.7 SO 3.4 Ref: 3.98	Identify on the site plans provided the exact area required to be managed by the Contractor for the delivery of the contract, and any areas that may be shared with the Partnership operations. For each phase or treatment technology, identify its operational envelope in terms of the key design parameter(s). Provide an Operation Manual as described in Appendix E of the Authority's Requirements (required 6 months before the Service Commencement Date). Site Signage Numbers and types of signs to be erected relating	Identify the key staff that will interface with the Partnership during the design process and how that interface will be managed. Identify all Statutory Undertaker connections (incoming and outgoing) that are required at each site to achieve delivery of the Service. Detail current status of Statutory Undertaker connections and the actions required to complete delivery of the Service – including timeline and key dates. [Identify anticipated vehicle types, design traffic flows, traffic routings to and from sites and within sites, arrival and departure timings].

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>to the Facility(ies), including:</p> <ul style="list-style-type: none"> (a) proposed plant/Site(s) entry signs; (b) traffic signs; and (c) off site signage. <p>Site Security</p> <p>A security plan for each Site. This shall include:</p> <ul style="list-style-type: none"> (a) provision and maintenance of: <ul style="list-style-type: none"> (i) fencing; (ii) lighting; (iii) patrols; and (iv) any other security measures including CCTV; (b) arrangements for dealing with vandalism; and (c) procedure for notifying the Authority of breaches in site security 	<p>For each stage of the treatment process including the reception and product storage areas, identify in quantitative terms (tonnage or % of design input parameters) the extent of the stages ability to accept changes in waste quantity and composition (to include changes in Calorific Value where applicable) and how this will be achieved. Identify whether additional cost will be incurred and how this will be managed.</p>

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 5.4	Maintenance – SO 3.12 Ref: 3.69 – 3.76	<p>The Maintenance Plan is a requirement in the Performance Framework, and forms part of the Operation Manual</p> <p>The plan shall identify:</p> <ul style="list-style-type: none"> (a) routine maintenance operations; (b) major maintenance operations; (c) major refit operations; (d) reactive maintenance; (e) the frequency, timing and duration of all planned maintenance operations; (f) critical service parts and arrangements for access to those parts in order to maintain continuity of the Service; (g) wear parts and arrangements for access to those parts; (h) who will carry out the maintenance operations (e.g. in house, subcontractor, manufacturer); 	

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<ul style="list-style-type: none"> (i) a Service Continuity Plan for any down-time; (j) a procedure for recording that maintenance has been undertaken; and (k) a procedure for evaluating the effectiveness of the maintenance operations and for modifying the maintenance regime to gain improvements; (l) Details of buildings and landscaping maintenance. <p>The Contractor Shall as part of the Monthly Service Report produce a Schedule of Planned Maintenance providing details of the planned maintenance for the upcoming month.</p>	
MS 5.5	Quality and Environmental Management – SO 3.13 Ref: 3.77 – 3.80	<p>Details of the Environmental and Quality management systems that will be implemented throughout the Commissioning and Operational Period.</p> <p>In particular the operational element of the plan should include the following:</p> <p>Evidence or confirmation that the systems will</p>	<p>Example Documents:</p> <p>List of project specific procedures.</p> <p>An overview description of the systems and their coverage together with core documentation that will be relevant to this project and a list of standard operating procedures that will be put in place to</p>

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>conform to current CEN ISO standards for the systems and state whether or not the systems will be accredited and through which accreditation body. The timescale to full implementation of the Quality, Environmental and Health and Safety Management Systems and, where the system will be accredited, the timescale to accreditation.</p> <p>The person or persons responsible for the implementation of the systems together with how their requisite experience and qualifications can be applied to this Project.</p> <p>Details of the review and updating procedures for the system.</p> <p>Project specific operational procedures relating to key areas of the service such as waste acceptance, treatment and monitoring, data recording and report generation and verification.</p> <p>A detailed Audit Plan setting out how and by whom the systems will be audited together with a schedule of audits such that the key procedures are audited within each twelve month period and that the whole of the system is audited within a</p>	<p>manage the Service.</p> <p>Details of the content of audit reports.</p>

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>twenty four month period.</p> <p>The process for correcting non compliances with the systems.</p> <p>Procedures for ensuring that the Partnership are at all times in possession of the current version of all documents to which it is entitled under the Project Agreement.</p>	
MS 5.6	Heath and Safety – SO 3.14 Ref: 3.82 – 3.86	<p>Health and Safety Plan is split into 3 sections (Works, Commissioning and Operations). Collectively the H&S Plan forms part of QAEMS H&S system, but also details H&S as part of CDM requirements during construction phase.</p> <p>During any works or operational phase, good health and safety cultures shall be developed and maintained, and employ good housekeeping techniques, written procedures, Risk Assessments and safe systems of work. Regular progress meetings shall be a feature, with health and safety a standard agenda item.</p> <p>In particular the operational element of the plan should include the following:</p>	<p>Example Documents:</p> <p>List of project specific procedures.</p> <p>An overview description of the systems and their coverage together with core documentation that will be relevant to this project and a list of standard operating procedures that will be put in place to manage the Service.</p> <p>Details of the content of audit reports.</p>

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Evidence or confirmation that the systems will conform to current CEN ISO standards for the systems and state whether or not the systems will be accredited and through which accreditation body. The timescale to full implementation of the Quality, Environmental and Health and Safety Management Systems and, where the system will be accredited, the timescale to accreditation.</p> <p>The person or persons responsible for the implementation of the systems together with how their requisite experience and qualifications can be applied to this Project.</p> <p>Details of the review and updating procedures for the system.</p> <p>Project specific operational procedures relating to key areas of the service such as waste acceptance, treatment and monitoring, data recording and report generation and verification.</p> <p>A detailed Audit Plan setting out how and by whom the systems will be audited together with a schedule of audits such that the key procedures are audited within each twelve month period and</p>	

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>that the whole of the system is audited within a twenty four month period.</p> <p>The process for correcting non compliances with the systems.</p> <p>Procedures for ensuring that the Partnership are at all times in possession of the current version of all documents to which it is entitled under the Project Agreement.</p>	
MS 5.7	Fire Safety – SO 3.14 Ref: 3.87 – 3.90	<p>Fire and Emergency Plan will detail procedures for specific emergency scenario, includes arrangements to assist the Lead Council in case of civil emergency.</p> <p>The Plan shall:</p> <ul style="list-style-type: none"> (a) comply with Fire Safety Order 2005, including recording of fire risk assessments, staff training and safety signage; (b) include procedures for dealing with emergency events other than fire; (c) include procedures for reporting fire and emergency incidents to the regulatory 	A risk assessment to identify potential emergencies.

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>authorities as required, and also to the Councils as soon as practicable or necessary;</p> <p>(d) include procedures to report fire and emergency incidents via a Monthly Service Report;</p> <p>(e) include an emergency contact list with names, status and telephone numbers (landline, mobile, fax and email) such that a direct contact point is available to the Councils 24 hours per day for the duration of the contract;</p> <p>(f) identify the procedures through which the Councils may use the Contractors resources allocated to the delivery of the Service in the event of an emergency event or events to which the Councils needs to respond as part of its duties as a local government Partnership, and</p> <p>(g) where there is an emergency incident, the Contractor shall accept the directions of the Councils in relation to the provision of the Service by the Contractor;</p> <p>(h) be a review and update of the Fire and</p>	

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>Emergency Plan by the Contractor annually and any changes shall be notified to and agreed with the Councils;</p> <p>(i) include procedures for the review and amendment of the Plan at not more than annual intervals. Any amends to be notified immediately to the Councils, and confirmed/recorded through the Monthly Service Report.</p> <p>(j) Upon any instance of fire or an emergency, the Contractor shall react in accordance with the Fire and Emergency Plan.</p> <p>In addition to the information above the Fire and Emergency Plan shall include a list of fire detection and safety equipment and locations of these and;</p> <p>details of procedures for specific emergency scenarios including contingencies in the event of failure of any part of the fire detection and safety equipment.</p>	
MS 5.8	Resourcing – SO 3.14	A Management Plan shall detail the operational management structure (including management diagram) to be provided and shall include	Establishment List including This list forms part of the Management Plan, and will list personnel to be

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 3.81 Ref: 3.91 – 3.97	<p>identifying key personnel, such as Plant Manager, Health and Safety Manager and any holders of certificates, such as Certificate of Technical Competence etc. Such detail is to include name and post title and responsibilities. The Management Plan shall include. Person specifications and CVs for the Corporate Management team should be included</p> <p>The Management Plan includes the Establishment List</p> <p>Annual Training Plan:</p> <p>A training policy demonstrating the contractors commitment towards ensuring their staff have the adequate training needed for the works involved in the delivery of the service to the client.</p> <p>Details of how training is recorded and validated.</p>	<p>employed to deliver the Service in terms of:</p> <p>(a) Position</p> <p>(b) Tenure</p> <p>(c) Qualifications:</p> <p>Recruitment procedures that also take account of the Partnership policies and procedures.</p> <p>Annual Training Plan:</p> <p>The general subject areas in which training will be provided including Health and Safety training.</p> <p>Details of how you determine the training needs of individual staff.</p> <p>Details of how training will be delivered throughout all relevant tiers of the organisation.</p> <p>Details of local community sensitivity training.</p> <p>Please complete the Services and Employment Pro-forma contained in Appendix 13 Part 10.</p>

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
			Please complete the Skills and Unemployment Pro-forma contained in Appendix 13 Part 11.
MS 5.9	Transport and Haulage – SO 3.15 Ref: 3.99 – 3.101	<p>The Plan shall cover transport associated with the works, commissioning and operation of the facilities and should include:</p> <ul style="list-style-type: none"> (a) a summary of all activities involving vehicle fleet and associated transport management arrangements, to include transportation requirements during the works and operations; (b) information on traffic movements per hour, per day and per year at each Site; (c) peak vehicle movements at each Site and how this is related to the Site(s) layout and turn around times; (d) routes to and from each Site for vehicles and plant operated by the Contractor and their Sub-Contractors, Authorised Vehicles, and vehicles owned by authorised visitors and staff; (e) detail of transport arrangements for Products and residues derived from Contract Waste for 	

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>further treatment, reprocessing or disposal;</p> <p>(f) the approach to ensuring vehicles entering/exiting the Site(s) use appropriate routes (e.g. use of Advisory Freight Route);</p> <p>(g) how sustainable transport shall be promoted and utilised;</p> <p>(h) the approach to minimising the environmental impact of transport through appropriate selection low emission vehicles (meeting as a minimum the latest European and National standards) and minimisation of haulage; and</p> <p>(i) the approach to ensuring vehicles transporting waste on behalf of the Participant have appropriate licensing.</p>	
MS 5.10	Management of Products and Residues – SO 3.16 & 17	<p>The Market Plan will detail markets for each product/output/reject/non processable material and includes volumes/tonnages.</p> <p>The Contractor shall produce a Market Plan that identifies:</p> <p>(a) all products, rejects and residues produced by</p>	<p>Process for ensuring value for money in the market.</p> <p>Arrangements for closed loop use of energy and/or materials identifying the parties and describing the arrangements.</p>

5.0 Facilities and Contract Management (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
	Ref: 3.102 – 3.108	<p>the service;</p> <p>(b) the proposed market and projected volumes for each product, reject and residue;</p> <p>(c) the period for which the market exists and proposals for replacing or renewing the market on its expiry;</p> <p>(d) the specification that each product, reject and residue is required to meet for it to be accepted by the market; and</p> <p>(e) the procedure for verifying that materials have been delivered to and accepted by the intended markets.</p> <p>The Market Plan shall ensure that deliveries to markets for all materials leaving the site are recorded to satisfy the requirements of Waste Dataflow; including weights, time of delivery, source of delivery, vehicle registration details.</p>	

6.0 Service De-Mobilisation Plan

This section of the Contractor's Method Statements shall set out in detail how the delivery of the Service be de-mobilised upon expiry of the Contract Period or early termination of the Contract.

Contractor's Method Statements shall set out in detail:

6.0 Service De-Mobilisation Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 6.1	Service De-Mobilisation requirements – SO 4.1 Ref: 4.1 – 4.4	<p>The Service De-Mobilisation Plan shall outline the events leading up to the expiry of the Services, including associated contracts at the expiry of the Contract Period or on an early termination of the Contract.</p> <p>The Service De-Mobilisation Plan shall be reviewed and updated by the Contractor on an annual basis and any amendments which may be required shall be agreed by the Contractor with the Councils.</p> <p>The Contractor shall provide a schedule of the elements of the Service that need to be provided to the Authority in order for the Authority to continue to undertake their functions and obligations.</p> <p>These will include any outstanding data and information to include but not limited to weighbridge tonnage, plant efficiency, BMW diversion, recycling performance, emissions and visitor centre visitor</p>	<p>External arrangements with associated/additional contracts that would need to be made.</p> <p>Work force issues that would need to addressed.</p>

6.0 Service De-Mobilisation Requirements (Services Method Statements)		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>numbers data.</p> <p>The Contractor shall provide details of how they will accommodate either a ramp down or end to waste deliveries, including the final reporting of waste data for the facilities.</p>	

7.0 Deliverability and Integrity of the Solution

This section of the Contractor's Method Statements shall set out in detail how the Participant intends to minimise the project risks to improve the deliverability of the solution and how the project will be resourced and reliably delivered.

Contractor's Method Statements shall set out in detail:

7.0 Deliverability and Integrity		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
MS 7.1	Management of Advisers and Sub Contractors	<p>To describe how legal, financial, technical advisers and funders (if not represented as members of the Consortium) will be managed and coordinated:</p> <p>Up to Services Commencement including a timetable for establishing agreements and providing draft contracts and service agreements where possible for the duration of the Contract Period.</p> <p>To describe how sub contractors will be managed and coordinated:</p> <p>Up to Service Commencement Date, including a timetable for establishing agreements and sub contracts; to provide detail on when agreements are expected to be reached and process to ensure that documents are completed on schedule;</p> <p>During the Works Period via the establishment of robust reporting procedures for sub contractors at all tiers which will include delay identification and</p>	

7.0 Deliverability and Integrity		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>mitigation measures for possible delays for the duration of the Contract Period.</p> <p>Provision of a list of sub contractors and major suppliers together with draft contracts, service agreements and heads of terms. Details should include the forms of sub contract that will be used and evidence of how risk has been passed down the contractual chain and what liability rests with the Contractor.</p>	
MS 7.2	Site Deliverability – SO4.1 Ref: 1.43 – 1.47	In relation to each site proposed, identify how the proposed land use and site conform to local, regional and national planning policy.	
MS 7.3	Corporate Social Responsibility – SO 3.8 Ref: 3.51 – 3.54	<p>The Corporate Social Responsibility Plan shall include:</p> <p>(a) A detailed description of how the Contractor will contribute to providing a sustainable solution for the Partnership in delivering, for the local community, improved; well being and security, inclusion, education and skill improvement; value and area improvement. This shall include quantifiable and measurable targets.</p>	

7.0 Deliverability and Integrity		Contractor's Method Statements Part A	Contractor's Method Statements Part B
Reference	Topic – AR Ref		
		<p>(b) These should be at Consortium, not organisational level and must include the following areas:</p> <p>(c) Supply chain to include mechanisms to build constructive supply chain relationships and details of how their approach to the commissioning and sub contracting of services and sourcing of materials would maximise benefit to the Partnership;</p> <p>(d) Workplace to include specific plans to involve staff in CSR initiatives/activities.</p> <p>(e) Details of the monitoring process.</p> <p>(f) Details of rectification procedures.</p> <p>(g) Details of the review process.</p> <p>(h) Other to include finance, good neighbourhood policy and any commitment to engage in research and development of innovative technologies.</p>	

6. FINANCIAL AND COMMERCIAL REQUIREMENTS

6.1 Introduction

- 6.1.1 The following section includes the Financial and Commercial submission requirements for the financial aspects of the Draft Final Tenders and Final Tenders.
- 6.1.2 The Partnership proposes to continue to dialogue with the Participant on the outstanding points identified during the evaluation of the Detailed Submission below:

The content of Section 6.1.2 contains information which is exempt from publication under paragraphs 14 (information relating to financial or business affairs) and 21 (public interest test) of Schedule 12 A part 4 of the Local Government Act 1972.

It is viewed in the public interest to treat this Section as exempt from publication. Put simply, the rationale for this is that the information relates to commercial positions of third parties and if such information was released it would adversely affect the authority's ability to obtain best value in future procurements i.e. third parties would be discouraged from providing confidential information to public authorities if such information was to be released and participant's commercial bargaining position.

Therefore on balance, it is submitted that the public interest in maintaining exemption outweighs the public interest in disclosure.

- 6.1.3 Please be aware that the Partnership is under no obligation to discuss anything other than the specific points agreed with the Partnership as being outstanding during the evaluation of the Detailed Solutions and the formulation of the ISFT documentation. Participants are reminded that the Partnership has reserved the right to reject a Participant where there is any material change to a Solution and, in particular, where the Participant amends and/or withdraws any statement/position and/or introduces any new statement/position that is not consistent with statements/positions included in the ISDS submission save to the extent agreed with the Partnership (in its absolute discretion) section 2.10.2 (f) of this ISFT.
- 6.1.4 Following dialogue, the Partnership will ask the Participant to submit its Draft Final Tender. The Draft Final Tender shall include all documentation formally recorded by the Partnership as set out in Sections 1.3.4 & 4 as a response to all of the Financial and Commercial requirements as set out within this ISFT and Associated Documentation.

- 6.1.5 The Partnership's clear expectation is that the Financial and Commercial elements of the Solution will be in an agreed form prior to calling for the Final Tenders. As such, the Partnership does not anticipate further versions of the Financial and Commercial elements of the Solution including the Payment Mechanism being submitted as part of the Final Tenders, other than the Financial Model and Financial Bid Forms. This assumption will be kept under review and written clarification will be issued to the Participants prior to the submission date for the Final Tenders.

6. Financial and Commercial Requirements



6.2 ISFT Questions – Financial and Commercial

F1	Price and Cost Pro-formas Please complete the Price and Cost (including Transportation Cost) Pro-formas (ISFT Financial Bid Forms Appendix 5), referring to the information, instructions and assumptions in Appendix 9 (ISFT Financial Modelling Instructions and Assumptions).
F2	Bid Back Pro-forma Please complete the Payment Mechanism and Contract Targets Pro-formas (Financial Bid Forms Appendix 5).
F3	Price Sensitivities The Partnership has, in Financial Bid Forms Appendix 5 , set out the sensitivities it requires to be completed. Participants are required to provide the results of the sensitivities relevant to the proposed solution listed in the Sensitivity Pro-forma worksheet, referring to the instructions set out in the Price Pro-forma Instructions worksheet within Financial Bid Form Appendix 5 . The Partnership reserves the right to, as part of the clarification process, request further Financial Model sensitivities after submission of the Final Tenders.
F4	Price Validity All Final Tenders submitted are required to remain valid until six (6) months after the assumed Financial Close date ('Bid Price Validity Period') in this ISFT document. Participants are required to confirm acceptance of this position.
F5	Financial Model including model audit (1) For the Solution, please submit a detailed financing plan, with a detailed financial model and any associated

6. Financial and Commercial Requirements



	<p>assumptions in accordance with the requirements detailed in Appendix 9 (ISFT Financial Modelling Instructions and Assumptions).</p> <p>(2) For the Solution proposed, Participants are required to submit a financial model demonstrating how the base payment has been priced and calculated.</p> <p>The financial model submitted as part of the Final Tender will, for the Preferred Bidder, become the financial model as defined in the Project Agreement and will be verified through a due diligence process prior to Financial Close.</p> <p>In the case of a corporately funded solution the Partnership requires an independent verification of the Preferred Bidder's financial model. The Partnership requires that as a minimum an interim review has been undertaken and a report produced by submission of the Final Tender. The greater the scope of the audit review and the greater the comfort that can be provided from it, the more comfort this will give the Partnership in respect of the 'Price Robustness' evaluation criteria. The information/documents that the Authority are seeking to be submitted with the Final Tender:</p> <ul style="list-style-type: none"> i. confirmation of who has undertaken the model audit work; ii. a copy of the scope of work (including to the extent that model audit has not been completed by Final Tender confirmation of the scope of further work to be undertaken at the Preferred Bidder stage; iii. a copy of the Model Audit Report; iv. confirmation from the Participant that they accept that any price changes arising from model audit reviews post selection of the Preferred Bidder are for the Participant's account. Participants should outline how adverse changes will be managed.
F6	<p>Commissioning and Unitary Charge</p> <p>Participants must clearly specify the Unitary Charge per annum required from the Partnership:</p>

6. Financial and Commercial Requirements



	<ul style="list-style-type: none"> • Commissioning Period Gate Fee; • Unitary Charge Base Element to apply to the Minimum Tonnage; • Unitary Charge Marginal Element rate per tonne for each proposed band. <p>Participants must confirm that their Unitary Charge Base Element is based on the Minimum Tonnage of 135,000.</p> <p>Participants must confirm that their proposed Unitary Charge has been calculated on the basis of guaranteed performance and not expected or aspirational performance. This should include, but not be limited to, landfill diversion performance, third party waste treatment income and income from end products. The only exception is where the Partnership has stated that it will take the risk under the express provisions of the Project Agreement.</p>
F7	<p>Construction Costs</p> <p>Participants must include, as a schedule to each of their financial models, an input sheet detailing the construction costs for each of the proposed Sites where construction is to be undertaken. Costs incurred need to be shown on a monthly basis. The elements in the cost plan must relate to the scope of works described in the Authority's Requirements. This should also include any costs related to land remediation.</p> <p>The capital cost of equipment must be included in the appropriate elements of the cost plan and the scope of provision must be described in the appropriate elements of the Participant's proposal. It should be noted that costs must include, where applicable, the costs of demolition and removal of existing infrastructure, and costs associated with environmental assessments and site investigations. The construction price that is included in the financial models must be the Participants' estimated out-turn construction price at Financial Close.</p>
F8	<p>Capital Cost Prices and Movements (including exchange rate impacts)</p> <p>Participants are required to explain their approach to managing the capital cost prices and movements (including exchange rate impacts) until planning permission is granted. Reference should be made to the capital costs identified by the Participant. As a minimum, the Partnership would expect the construction price to be fixed for a</p>

6. Financial and Commercial Requirements



	period not less than that required to reach the Planning Permission Longstop Date agreed with Participants.
F9	<p>Foreign Exchange Rates</p> <p>Participants are required to provide price and cost data in Pound Sterling, and outline their approach to managing foreign exchange rate risk.</p> <p>Where Participants are proposing to source equipment in non-sterling denominations, the assumptions in terms of exchange rate used should be clearly stated, as should the plans for fixing the rates prior to Financial Close (if appropriate), and the proposed hedging strategy.</p> <p>Participants should advise the Partnership of any foreign exchange rates upon which its costs are dependent by 1 month prior to ISFT submission.</p>
F10	<p>Price Robustness</p> <p>Participants should provide a reconciliation explaining and quantifying the principal changes in NPV and capital expenditure between the ISDS and ISFT stages.</p> <p>The Partnership is expecting to receive Final Tenders that are fully developed to that end the Partnership is expecting Participants to have fully engaged the whole of their supply chain in the finalisation of their Final Tenders, including in the finalisation of their designs and pricing. The Partnership is therefore keen to ensure that the Participants offer final robust prices for their Final Tenders that demonstrate the level of engagement with their supply chain.</p> <p>If Bidders consider that their price may be subject to any caveats post selection of Preferred Bidder, then these must be discussed with the Partnership in advance of the ISFT as the Partnership will not accept any caveats.</p> <p>All Final Tenders must be fully priced subject only to the assumptions required by the Partnership as stated in this ISFT.</p>

F11	<p>Methodology to uplift the Unitary Charge</p> <p>Participants are required to provide details of the methodology that should be used to uplift the Unitary Charge in the event that Financial Close does not occur within the Bid Price Validity Period (see Price Validity). These expectations should include, but not be limited to, proposals on how underlying costs would be adjusted and the specific indices which may be used. Indexation adjustments required should only be applied from the end of the Bid Price Validity Period.</p>
F12	<p>Third Party Income - Guaranteed Income</p> <p>Participants are required to provide a detailed description of all Third Party Income that is guaranteed to offset the Unitary Charge payable by the Partnership. Details provided should include guaranteed levels of volumes and prices.</p> <p>Participants should provide details of all Third Party Income, including, without limitation, the following:</p> <ul style="list-style-type: none"> • a description of the proposed utilisation or activity (e.g. electricity sales, recycle income, spare capacity); • whether the Third Party Income is guaranteed for the whole of the Contract Period or if time limited, the period it is guaranteed and how activity steps up or down during the term; • the proposed level of guaranteed Third Party Income (covering unit rates, units and overall income), and the costs built into the Financial Model to undertake the generation of the Third Party Income; • the principal risks and uncertainties associated with the proposals including the extent to which the Participant is seeking protections from the Partnership; • an assessment of benefits arising to the Partnership of such proposals for example, through synergies or revenue sharing arrangements; • confirmation from funders that they accept the Third Party Income guarantee proposals and details of any

6. Financial and Commercial Requirements



	<p>Contractor guarantees that funders may be seeking.</p> <p>Participants are reminded that Final Tenders must be based upon firm Third Party Income proposals and should not include any speculative income that is not guaranteed.</p>
F13	<p>Third Party Income - Income subject to the Gain Share Mechanism</p> <p>Where the Participant is not offering a guarantee of Third Party Income, but higher revenues are anticipated, these should be detailed and disclosed separately in the Participant's financial submissions and not be included within the Unitary Charge.</p> <p>Participants are required to provide a list identifying all process products that the gain share will apply to, i.e. inclusive of any items that do not have an associated guaranteed income in the Financial Model.</p>
F14	<p>Market Testing</p> <p>The Partnership wishes to share in the benefits of improved efficiency in relation to specific elements of the Services throughout the Contract Period. The Partnership's position (as set out in the Project Agreement) is, in accordance with relevant contract guidance, for market testing as the preferred method of value testing, particularly since market testing offers greater opportunity for transparency and competition, and to use benchmarking (or other value testing mechanisms) only in certain limited circumstance. Accordingly, Participants are invited to specify elements of the Services that could be subject to market testing, but Participants should note that these proposals must be limited to areas where the inclusion of market testing of these services will lead to a value for money solution for the Partnership.</p> <p>Participants should note that the Partnership has clearly set out its view that only the transport cost associated with the disposal of unprocessed Contract Waste may be required to be proposed as a value tested service (through market testing), and is likely, in the case of transport of unprocessed Contract Waste to landfill be dealt with as part of a package with landfill to ensure maximum value for money position.</p> <p>Participants should ensure that their proposals enable the Partnership to satisfy itself of the results and the proper</p>

	<p>conduct of such market testing exercises.</p> <p>Participants should provide, as part of their Final Tenders:</p> <ul style="list-style-type: none"> • a clear rationale behind any market testing proposals to enable the value for money of the proposals to be evaluated; • details of the costs within their Final Tenders that the Participant proposes would be the subject of such market testing; • details of the proposed timing of any market testing (and/or, if appropriate, benchmarking). For the avoidance of doubt the Partnership would not anticipate Participants proposing a first Market Testing Date less than five (5) years from full service commencement nor a period of less than five (5) years between subsequent Market Testing Dates. <p>Participants should note that their proposals in relation to market testing (or any other proposed value engineering exercise) will be taken into account in evaluation of Final Tenders, particularly within the evaluation of the level of risk accepted by the Participant. Participants should also note that in respect of Whole System Cost evaluation, the Partnership reserves the right to adjust tendered prices for such services subject to any market testing (or other value engineering exercise), beyond the proposed initial period, if the provisional assumptions modelled are considered not to be a true reflection of future costs.</p>
F15	<p>Accounting Treatment</p> <p>The Financial Model must reflect either Generally Accepted Accounting Principles or IFRS (as appropriate to the accounting requirements of the shareholders) and Participants are required to provide the following:</p> <ul style="list-style-type: none"> • a statement setting out the accounting regime adopted (UK GAAP or IFRS) and the reasons for adopting that accounting regime; and • confirmation that they are prepared to underwrite the accounting treatments and assumptions adopted within

	the Financial Model.
F16	<p>VAT</p> <p>The Partnership will require that the Participant's Solution and the Unitary Charge payment provisions are VAT efficient.</p> <p>Participants must address and resolve VAT issues to the satisfaction of the Partnership. The Partnership assumes that VAT will be charged on the Unitary Charge, and that the Partnership can recover this in the normal way. Accordingly, the Unitary Charge should be shown net of VAT in the financial model.</p> <p>The Partnership assumes that the Participant can recover VAT suffered on its cost inputs. If the Participant does not expect to be able to recover some, or all, of the VAT involved then this cost impact should be reflected in the Financial Model. Participants are required to model VAT in the financial model, in order to identify any timing impacts as well as the impact of any non-recoverable VAT.</p> <p>Participants must provide:</p> <ul style="list-style-type: none"> • a statement setting out any VAT assumptions made and the basis for these; • describe the assumptions concerning the payment of output VAT and the recovery of input VAT during both the construction and operational phases (e.g. whether there is any VAT cash-flow timing difference in the Financial Model); and • copies of any VAT clearance applications made to HM Revenue & Customs together with the response, if received; • Participants are expected to state specifically the VAT implications in relation to land acquisition.
F17	Corporation Tax

6. Financial and Commercial Requirements



	<p>The Government announced in its 2011 budget a corporation tax rate of twenty six percent (26%) in 2011 reducing by 1% for 3 years until it reaches 23% in the 2014 calendar year. The Welsh Government has recently confirmed that all Participants bidding for Welsh Government funded waste projects must base their prices using the corporation tax rate of 23% enacted in the 2011 Finance Act from 2014/15 to Contract Expiry. Please confirm that this is the Corporation Tax rate you have used in your submitted Financial Model.</p> <p>Participants should not assume any changes to the rates of corporation tax, the marginal relief banding and other statutory parameters except in so far as these have been incorporated into a Finance Act. Tax losses should either be carried forward and used against future year's profits or be applied as a credit in the year in which they are generated. This latter treatment may be appropriate if the Participant expects to be able to use the losses elsewhere within the group or against other sources of income.</p>
F18	<p>Tax Treatment</p> <p>Participants are required to satisfy themselves generally as to their own tax position, including any issues surrounding the application of any capital allowances and revenue relief against corporation tax. All assumptions in respect of taxation should be set out clearly in the Financial Model.</p> <p>Participants must specify the applicable tax rates assumed, including any marginal relief (if appropriate).</p> <p>Participants must specify the assumptions made in respect of deductibility or non-deductibility of revenue costs, including in respect of transaction costs, such as bid costs, development costs, planning costs and legal fees.</p> <p>Participants are required to specify the assumptions made in respect of the tax treatment of capital expenditure, (including in respect of lifecycle costs and any intangible fixed assets) including amounts of expenditure allocated to the different capital allowance pools, amounts assumed to be non-qualifying for capital allowances, the rate of writing down allowance claimed and details of any capital allowances disclaimed.</p> <p>Participants must specify any assumptions made in respect of the tax treatment of capitalised interest.</p> <p>Participants are required to categorise taxable profits by type, such as trading profits, interest, and other non-trading</p>

6. Financial and Commercial Requirements



profits or losses. The categories of taxable income should be appropriately ring-fenced (e.g. when carrying forward losses).

Participants should provide a statement setting out the assumptions on the tax treatment of any other income or capital contributions received.

Participants should provide a statement setting out any tax assumptions made concerning timing of payments of corporation tax.

The application of transfer pricing legislation in the UK can have implications for PPP projects, particularly around the tax treatment of subordinated debt, corporate debt interest charges (including in respect of thin capitalisation) and guarantee fees, and any other goods or services provided to or from connected parties.

Participants should consider the implications of this aspect of corporation tax on their proposals and confirm that any such implications have been taken account of in pricing the Project.

In respect of interest deductions, in addition to transfer pricing, Participants should confirm they have considered the potential implications of the proposed worldwide debt cap in respect of the deductibility of interest costs.

To the extent that any interest payments are made to overseas entities, Participants should confirm they have considered withholding tax assumptions.

Participants must obtain and provide with their Final Tenders a formal letter from their tax advisors or suitably qualified professional confirming that in their opinion the proposed tax treatment is valid and that any required accounting treatments underpinning the tax treatment would be within the necessary accounting principles. This opinion should set out the basis for the treatments adopted, and identify any risks associated with it.

These opinions are required for evaluation purposes. The risks associated with the proposed tax treatment and the risk of actual tax reliefs being less than or different from those assumed is to be borne by the Contractor and not the Partnership.

6. Financial and Commercial Requirements



	<p>Participants must make their own decisions as to whether or not to seek advance tax clearance from the Inland Revenue for the proposed treatment. If such clearance is sought, Participants must attach the appropriate correspondence to their Final Tenders. If the Participant is relying on a 'CoP10' tax letter, the Partnership will require Inland Revenue clearance before Financial Close.</p> <p>Participants should also identify any fallback positions if the proposed treatment fails or other possible tax treatments that may be applicable to their Final Tenders.</p>
F19	<p>Stamp Duty Land Tax ("SDLT")</p> <p>Participants should consider the implications of stamp duty land tax on their proposals and will be expected to work with the Partnership prior to Final Tender to develop an appropriate and efficient tax treatment for Site leases or purchase payments.</p> <p>For their ISFT submissions, Participants will need to demonstrate to the Partnership's satisfaction how rents under any proposed leasing structure and any resultant SDLT liability are to be treated and how the costs are reflected in the Financial Model. Even where the rent payable under a lease to the Contractor of the Partnership's Optional Site is peppercorn only, Participants need to consider whether potential Third Party Income would be "deemed" rent for SDLT purposes and, as such, whether a non-statutory clearance ruling may be required from HMRC.</p> <p>In considering the rent payable under the lease for the Optional Site, Participants proposing to use the Optional Site will need to be aware that pursuant to the terms of section 123 of the Local Government Act 1972 the Partnership will need to demonstrate it has secured "best value" for the land transaction before it will be entitled to "dispose" of the site pursuant to the lease. Accordingly, although leasing the site for a peppercorn (as opposed to charging a full market rent), may be a standard approach in PPP, Participants will need to demonstrate (and the Partnership will need to be satisfied) how this represents "best consideration" for the Partnership.</p> <p>Equally, where Participants are proposing an alternative Site and Participants propose to grant a lease to the Partnership, then the Partnership must be satisfied as to the rental and resultant SDLT liability and any other financial liabilities attributable to the Alternative Site and how these are treated in the Financial Model.</p>

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	<p>Participants must confirm the basis for calculation of any rent that would be payable by the Partnership in relation to the alternative Site on termination or expiry to reflect the Partnership's ongoing interest in the Facility.</p> <p>Participants are required to:</p> <ul style="list-style-type: none"> • demonstrate how rents under any proposed leasing structure and any resultant SDLT liability are to be treated and how the costs are reflected in the Financial Model; • confirm whether potential Third Party Income would be “deemed” rent for SDLT purposes and, as such, whether a non-statutory clearance ruling may be required from HMRC; • demonstrate how the payment of a peppercorn rent represents “best consideration” for the Partnership; • confirm acceptance of the Payment Mechanism Principle re: pro-rata payment based on contract waste capacity vs non contract waste and in relation to an Alternative Site only: • where you propose to grant a lease to the Partnership, confirm the rental and resultant SDLT liability and any other financial liabilities attributable to the alternative Site and how these are treated in the Financial Model; and • confirm the basis for calculation of any rent that would be payable by the Partnership in relation to the alternative Site on termination or expiry to reflect the Partnership's ongoing interest in the Facility.
F20	<p>Indexation</p> <p>The indexation provisions are to be developed on the basis of a balance between reducing the Contractor's exposure to inflation risk and value for money.</p> <p>The Partnership has developed the draft Payment Mechanism on the basis that there may be some blend of indices (including the fact that the element of the Unitary Charge relating to debt funding would not be indexed at all as it is fixed funding for the life of the debt with no inflation risk). The Partnership is not being prescriptive about what</p>

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	<p>indices Participants use within the constraints stated above and is not specifying the split of indices or the proportion of un-indexed and indexed elements of the charge, therefore allowing for a natural hedge, as is possible, which should mean formal RPI hedging instruments should not be required.</p> <p>In terms of indices to be used, it is expected they should still principally be based around RPIx (i.e. general inflation excluding mortgage interest payments), and this is certainly the case for costs associated with the repair, maintenance and lifecycle of the Facility. Participants may consider appropriate indices in relation to the more incidental costs of the operation such as:</p> <ul style="list-style-type: none"> • fuel related to operation and transport • high wage costs arising from, say, having pickers and/or other operational staff
F21	<p>Insurance</p> <p>The Project Agreement requires the Contractor to take out and maintain the Required Insurances and any other insurance required by law. The Contractor will be required to take out and maintain such insurances with insurers approved by the Partnership (such approval not to be unreasonably withheld or delayed) throughout the Contract Period.</p> <p>For the purposes of demonstrating compliance with the Partnership's requirements, and to assist in evaluation, Participants are required to provide the following information as a minimum:</p> <ol style="list-style-type: none"> 1. Completed Appendix 15 Bidder Insurance Response Matrices clearly identifying where <ol style="list-style-type: none"> 1.1 There will be compliance with the Participant's insurance requirements; 1.2 The Participant proposes alternative solutions to satisfy the Partnership's requirements; 1.3 There are points of clarification required; 2. In both the Financial Model and written bid submission Participants should ensure transparency. Participants

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	are required to provide detailed Required Insurances premium calculations and full details of associated Project insurance related costs (e.g. "insurance risk contingencies").
F22	<p>Planning and Permitting Costs</p> <p>Participants are required to provide details of the timescales and costs of securing planning permission and the Permit. In particular, Participants must state and explain the costs they have apportioned for any public consultation exercise(s), public inquiry costs and joint working arrangements with the Partnership in progressing implementation of the new infrastructures. The technical approach to planning and permitting and the Participant's responses to drafting within the Project Agreement will be separately assessed.</p>
F23	<p>National Non Domestic Rates (NNDR)</p> <p>The Payment Mechanism is drafted on the assumption that the NNDR costs associated with the treatment of Contract Waste are treated as a pass through. To the extent that the Participant is proposing Third Party Waste processing then the Participant should provide a detailed methodology on how the pass-through element will be calculated. For modelling purposes Participants should provide an assumed rateable value at April 2010 and the basis of calculation, including the name and address of any reference facility(ies).</p> <p>The expected NNDR cost to the Partnership will then be calculated using a forecasted Uniform Business Rate or multiplier for 2015/16 of 50.1p (based on the 2010/11 multiplier for Wales of 40.9p plus a 25% uplift to 2015/16), inflating by 2.50% per annum thereafter.</p>
F24	<p>Staff and Pension Assumptions</p> <p>Participants are required to set out all assumptions made with regard to staff grade, salary and on-costs that contribute to labour costs in as much detail as possible. This will include setting out all the assumptions used to complete the pay costs lines of the annual costs. Participants are required to set out all pension assumptions and costs that are included in their financial models, for example, factoring in staff turnover over the contract term that has been applied in assessing the likely pension contribution costs year on year over the contract term the pension</p>

	contribution rate (% of pensionable salary) both employer and employee.
F25	<p>Site Rental Costs</p> <p>Site rental costs - Partnership's Optional Site</p> <p>Participants using the Partnership's Optional Site can assume that it will be provided for at a peppercorn rent and should confirm these rental assumptions are consistent with their response to F19.</p> <p>Site costs for Participant sites</p> <p>Participants providing their own or third party sites (whether for the main treatment Facility or for any Transfer Station) should include all costs relating to the rental or purchase of those Sites in their Financial Model where these are cost that will ultimately fall to the Partnership and confirm their rental assumptions are consistent with their response to F19.</p>
F26	<p>Funding Proposal</p> <p>Participants must identify clearly the main source or sources of finance for the Project and submit a detailed financing plan, which is reflected in the Participant's Financial Model, in accordance with the requirements in this section:</p> <ul style="list-style-type: none"> • Details of each source and amount of finance, including (but not limited to) equity, commercial bank debt (including any standby facilities), subordinated debt, capital markets debt, corporate finance, lease lending, intra-group lending, variation facilities and internally generated funds (separated into interest earned on deposits, reserve accounts, and third party income) and the extent to which the funds are committed. Participants must also clearly set out all assumptions concerning Refinancing during the Contract Period; • The principal terms and conditions for each source of finance to be raised with supporting term sheets (please refer to the opening statement above);

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	<ul style="list-style-type: none"> Where there has been a material alteration to the funding structure since the submission of Detailed Solutions, an explanation as to the reasons for the change, and the impact thereof, should be provided. Please confirm that there is no intention to significantly vary the funding structure after submission of Final Tenders. The Partnership reserves the right to review Final Tenders and to require that Participants explain the reasons for any subsequent change in proposals. Please note that the Partnership has reserved the right to reject a Participant if it introduces a material change to any commitment or statement contained in any previous submission (Section 2.10.2 (f) of this ISFT). Where the primary source of funding is not project finance and Participants/their funders are seeking derogations from the WPPO Contract (as reflected in the draft Project Agreement), for instance lease finance, then the assumptions underpinning the funding and the impact on the draft Project Agreement of the nature of the funding, and the associated assumptions, should be clearly highlighted and detailed.
F27	<p>Equity/Quasi Equity Funding</p> <p>The equity injection into the proposed Contractor/SPV should be structured on the most efficient basis (e.g. pin point equity and subordinated debt). In respect of each class of equity or quasi equity (e.g. mezzanine/subordinated debt, but excluding public sector holdings) the following must be provided:</p> <ul style="list-style-type: none"> i identity of the investors; ii amounts to be provided by each of the investors; iii timings of the subscriptions, any security required by funders in respect of deferred submissions (e.g. letters of credit) or details of any bridging facilities being offered; iv the resulting capital structure of the Participant following each subscription; v any costs associated with the investments and related security; vi terms and conditions of subscription, including anticipated returns (shareholder agreement/term sheet) and

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	<p>including any class rights, voting rights, conversion rights or reserved matters granted in relation to minority investors (if applicable);</p> <ul style="list-style-type: none"> vii dividend rights attaching to the shares; viii interest rate payable in respect of mezzanine/subordinated debt; ix other rights attaching to the shares; x the extent to which funds are committed; xi the length of time the funds will remain in the Project; xii if the total amount of the equity finance (including quasi equity) is expected to change through the life of the Project, then the amount and phasing of the changes must be specified; and xiii an undertaking that no additional margins or charges will apply that have not already been notified and included in the Participant's Financial Model provided as part of their Final Tender.
F28	<p>Certainty of the Equity Investment</p> <p>In order to assess the commitment and deliverability of the equity finance for the Project, Participants are to provide the following (Participants should note that the level of commitment to financing will be taken into account in the evaluation of Final Tender):</p> <ul style="list-style-type: none"> i details (including, where applicable, copies of all relevant agreements) of the extent of support (including guarantees) to be provided in respect of the obligations and liabilities of the Contractor/SPV by each of the Contractor/SPV's shareholders, the parent company of each shareholder, the ultimate parent company of each shareholder and third parties including subsidiaries and partners; ii if the equity is to be guaranteed by a shareholder's parent company, then written confirmation at board level is required from the parent company, stating that it is willing to provide a parent company guarantee in relation to

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	<p>the availability of the equity required for the project, and that it has adequate funds available;</p> <p>iii for each investor that is subscribing to equity in the Contractor/SPV, a letter of support is required which includes information as to the capacity of the investor to fund and the availability of equity finance (for example, if equity is to be subscribed from internal sources then confirmation is required that the investor has adequate funds available), acceptability of risk transfer and commercial terms presented in the draft Project Agreement and its Schedules and acceptance of the financial models (including proposed returns and sensitivities);</p> <p>iv if any equity finance is to be raised from external sources, written confirmation must be obtained from those external sources as to their capacity and willingness to provide funding and the amount of funding available, acceptability of risk transfer and the acceptability of proposals and returns in the financial models. The Partnership reserves the right to contact third party equity providers to confirm their willingness to provide funding. Please detail the exit strategy contemplated for such investors (if any);</p>
F29	<p>Debt Finance & Standby Facilities - Senior Debt</p> <p>For all Solutions incorporating external senior debt, Participants are required to make a clear statement of their proposed funding costs and hedging strategy for any debt requirement. Participants are asked to provide evidence that their funding is based on competitive and deliverable terms. Participants shall provide:</p> <p>i. a description of the process which the Participant and its financial advisor have undertaken in order to select the proposed funding solution and funders including:</p> <p>a. if the selection process included a funding competition, describe the process undertaken (e.g. including the number of funders approached, the information provided to the funders and requested of the funders, etc). Describe the various options considered, how they were evaluated and how the preferred solution was determined.</p> <p>b. if the Participant did not undertake a funding competition provide details of why this was thought not to be necessary.</p>

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	<p>ii information as to how the Participant and its financial advisor have sought to ensure that the proposed funding structure and terms are deliverable.</p> <p>iii a description of the process required to deliver the funding solution for Financial Close, including the nature and timing of any approval process or funding competitions.</p> <p>iv any other information which is relevant to the Partnership's understanding of the Participants proposals.</p> <p>v separate clarification of any proposed interest rate hedging strategy to be included as part of their funding solution. It should be noted that for project financed Solutions the Partnership is prepared to take the risks and rewards of changes in underlying interest rates up to the date of Financial Close. However, Participants will take the risk of changes in interest rates occurring following Financial Close.</p> <p>The Partnership wishes to ensure that all costs associated with debt finance for any aspect of the Project are transparent. Consequently, in respect of each funder, or arranger, of each class of debt (including lease finance, bond finance, use of swaps or interest rate hedging investments and any bank, or other guarantees, or credit enhancement structures) the following information should be provided to the extent applicable:</p> <p>i identity of the funders;</p> <p>ii amounts to be provided by each funder and the underlying currency;</p> <p>iii reasons for type(s) of reserve account(s) or facility(ies) and associated terms;</p> <p>iv terms and conditions attaching to the loans (term sheet/collateral deed);</p> <p>v drawdown schedule;</p> <p>vi repayment schedule;</p> <p>vii security required including the structure of any required holding or funding companies and related issues such</p>
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6. Financial and Commercial Requirements

	<p>as charges over shares etc;</p> <p>viii interest rates (on swaps, gilts etc);</p> <p>ix covenants;</p> <p>x default clauses;</p> <p>xi conditions precedent;</p> <p>xii extent to which funds are committed, the timing and the amount;</p> <p>xiii credit margins and similar charges;</p> <p>xiv all associated financing costs (e.g. arrangement fee, credit spread, funder's margin, Mandatory Liquid Assets (MLA's), monoline insurance fees etc) that are considered appropriate and include explanations of these within their Final Tenders;</p> <p>xv confirmation that the margins and charges detailed above are a full and complete list of charges and no additional margins or charges will apply (e.g. credit spread etc);</p> <p>xvi average life of senior and junior debt;</p> <p>xvii repayment holiday, average life and tail of senior and junior debt; and any other information which would be relevant to the specific forms of finance.</p>
F30	<p>Debt Finance & Standby Facilities - Corporate Debt</p> <p>In relation to proposed corporate debt funding, Participants are also required to provide the following details of such a funding arrangement:</p>

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	<p>i identity of the funders, i.e. which company within the Participant's group will be providing the funding;</p> <p>ii the amount, timing and terms and conditions relating to the debt;</p> <p>iii evidence as to the existence of reserves or facilities and a statement from the group company providing the debt confirming that existing commitments do not impinge on these;</p> <p>iv confirmation that processes exist to ensure that the funds allocated to the Project remain available and are not used for any other purposes and that project assets will not and have not been used as a pledge or collateral to secure the debt.</p> <p>v Subject to the requirement set out in Question F33 below (Strength of Commitment), which applies equally to a corporately funded Solution, how the Participant and its corporate funder intend to provide further comfort to the Partnership, and at what stage in the procurement process, on key aspects of its Final Tender, about which the Partnership would ordinarily gain comfort through a commercial funder due diligence process. The key aspects, without limitation, are:</p> <ul style="list-style-type: none"> • The capability of the solution to achieve the Contract Targets and requirements of the Performance Framework. • The robustness of the costs underpinning the price. • Financial Model Audit. • Proposed Sub-Contracts (including stability of the supply chain).
F31	<p>Hedging Strategy</p> <p>It should be noted that the Partnership is prepared to take the risks and rewards of changes in underlying interest rates up to the date of Financial Close. However, Participants will take the risk of changes in interest rates occurring</p>

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	<p>following Financial Close. Regarding interest rates and their hedging strategy, Participants must confirm:</p> <ul style="list-style-type: none"> i the manner in which the Participant will address the risk of future movements in interest rates, including a full description of its hedging strategy, details of any financial instruments which will be used to provide protection against interest rate movements, and the estimated cost of such protection; ii the timing of any inflation rate hedging strategy that the Participant proposes, including the proportion of the payments that are to be hedged and the underlying costs whose inflation the Participant is seeking to hedge; iii acceptance of the principle of benchmarking hedging instruments at or prior to Financial Close. Participants should note that the Partnership, given that it is taking the underlying interest rate risk, reserves the right to compare, and if necessary, complete hedging instruments (including interest rates and RPIx) at or prior to Financial Close. Participants must confirm that they will provide the Partnership with sufficient information to allow the Partnership to benchmark these hedging instruments at or prior to Financial Close.
F32	<p>Due Diligence</p> <p>As the Project is being procured under the Competitive Dialogue Procedure, it is expected that prior to submission of the Final Tender full funder due diligence will have been completed, in order to provide an acceptable level of certainty in relation to the deliverability of the funding solution.</p> <p>Participants should clearly state the extent to which due diligence has been conducted as part of the ISFT submission. As part of the assumptions set out in the financial model Participants should state the cost of due diligence undertaken, and the indicative cost of the due diligence that remains to be undertaken at the Preferred Bidder stage.</p> <p>Evidence of the underpinning due diligence should be provided in answer to this question and referenced in the Funders' letter(s) of support.</p>
F33	Strength of Commitment

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	<p>The Partnership wishes to ensure that it contracts with a financially robust Participant and that the Participant's funding model for this Project is viable and supports the service delivery. It is also important to the Partnership that Solutions are fully developed and robust, and have attracted full support and commitment from funders, to satisfy the Partnership that there is no material risk on financial grounds of a failure to raise funding.</p> <p>The stronger the level of commitment by debt providers, irrespective of whether this is through inter group loans, the more favourably the Bid will be assessed.</p> <p>The level of commitment can be demonstrated by providing a letter:</p> <ul style="list-style-type: none"> • confirming that the relevant Board Approvals, or similar, have been obtained to ring fence the required funds for this project; • confirming that all due diligence has been undertaken and/or specify all the relevant conditions that need to be satisfied for the funding to be committed, without adverse changes to the structure and pricing of debt, and set out the timescale and steps involved in completing the due diligence; • indicating that based on known specified commitments that the funds will be available to meet commitments as they fall due; • that the financing proposals are sufficient to enable the Participant to meet its obligations under the Contract; and • confirmation that where any term sheet requirement is breached in the financial model that this is in agreement with the debt providers.
F34	<p>Planned Refinancing</p> <p>Participants must provide a clear statement of any proposed Refinancing envisaged during the Contract Period and should clearly set out any assumptions concerning any Refinancing, which shall at all times be subject to the procedure set out in Schedule 16 Refinancing of the Project Agreement. The Participant's financial advisers should</p>

6. Financial and Commercial Requirements

	<p>comment in writing on how any Refinancing will be achieved and demonstrate that the risk of Refinancing remains with the Participant. Where it is intended that debt will be Refinanced, Participants should set out as much detail as possible including the following assumptions:</p> <ul style="list-style-type: none"> i interest rates; ii repayment schedules; iii final maturity date; iv details of any changes in the debt instruments used; and v whether it is expected to be treated as an Exempt Refinancing as defined in the draft Project Agreement.
F35	<p>Payment Mechanism</p> <p>The Partnership has provided the following in respect of the draft Payment Mechanism:</p> <ul style="list-style-type: none"> • Appendix 8 - Schedule 4 - Payment Mechanism • Appendix 12 - Payment Mechanism Principles Paper <p>The Partnership requires the Participants to submit a mark up of the Schedule 4 - Payment Mechanism that reflects the views of the Contractor/SPV shareholders, principal Sub-Contractors and funders.</p> <p>It also expects the completed Bid Forms "Payment Mechanism Pro-forma" and "Contract Targets" to reflect the views of the SPV shareholders, principal sub-contractors and Funders.</p> <p><i>Contract extension gate fees</i></p> <p>The Partnership requires pre-agreed gate fee(s) for the 5 year contract extension option. Participants should set out in their mark-up of the Payment Mechanism their Contract Extension Gate fees. These must be based on the</p>

6. Financial and Commercial Requirements



	<p>following assumptions:</p> <ul style="list-style-type: none"> a. The Unitary Charge Base Element based on the minimum tonnage of 135,000 tonnes per annum will not apply during the contract extension period; b. The tonnages to be provided to the Contractor during the 5 year extension period will be agreed at the time the Partnership discusses the extension of the contract with the Contractor (which will be before a date falling no later than twenty four (24) Months prior to the Expiry Date); c. The NNDR Pass Through payment will be agreed at the time and will reflect the level of tonnages forecasted to be delivered to the Contractor during the 5 year extended period. <p>The Partnership requires Participants to bid back contract extension gate fees which will leave the Participant in a "no better no worse" position relative to their Base Case and as such do not impact on the Unitary Charge payments bid back during the 25 year service period.</p> <p>If, and to the extent that, Participants propose derogations to the Payment Mechanism, then they should submit, with their Solution a mark-up of the Payment Mechanism and a separate Participant Commentary Table (entitled Payment Mechanism Commentary Table) detailing the reasoning for the proposed amendments. However, Participants should note that such amendments should only be proposed for genuine project specific reasons and/or where it would offer better value for money to the Partnership.</p> <p>Participants should note that any proposed amendments to the Payment Mechanism will be taken into account when evaluating the Final Tenders. Participants should note that they are likely to be marked down for proposing any amendments save to the extent that it can be demonstrated to the Partnership's satisfaction that such proposed amendments are submitted for genuine project specific and value for money reasons.</p>
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General Requirements

F36	Not applicable
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6. Financial and Commercial Requirements



F37	Not applicable
F38	<p>Change in Law</p> <p>Participants should set their proposals for the Contractor's Share of a Change in Law so that they do not impact on their Final Tender price (ie their financial model should not identify any cost allowances for their Contractor's Share of Change in Law costs under the Project Agreement (definition of Contractor's Share)).</p>
F39	<p>Liquidated Damages</p> <p>Participants should submit their calculation of the Liquidated Damages £ per week figure for their solution. The Participant should clarify how it is seeking to manage late service commencement risk and how this risk has impacted on its Solution. The Participant should explain what impact the Partnership's requirement for Liquidated Damages has on the price and risk profile of its Solution.</p>
F40	<p>Payment Terms</p> <p>Participants should submit their financial model with their bid-back gate fees priced to reflect standard payment terms with payment made by the Partnership in arrears (-30 debtor days) i.e. the invoice for March will be submitted to the Partnership at the end of March and paid at the end of April. The Partnership is requesting that two additional sensitivities with regard to different payment terms are completed as follows :-</p> <ol style="list-style-type: none"> 1. payment made by the Partnership 0 days in arrears i.e. the invoice for March will be submitted to the Partnership at the start of March and paid at the end of March 2. payment made by the Partnership 30 days in advance i.e. the invoice for March will be submitted to the Partnership at the start of February and paid at the start of March <p>These two sensitivities will not be evaluated as part of the ISFT submission but will be used by the Partnership to inform its VFM decision with agreeing payment terms with the Preferred Bidder. In this context the Partnership is asking the Participants to confirm it will stand behind the results of the sensitivities if the Partnership wishes to</p>

6. Financial and Commercial Requirements



	subsequently change Payment Terms.
F41	Monitoring of EPC Payments Following the request from the Welsh Government the Partnership is now requesting that Participants provide details of payments made to its EPC sub-contractor. The precise requirements will be confirmed with the Preferred Bidder, but are expected to involve comparison of actual payments relative to profile, but at this stage the Participants are being asked to confirm that they will be able to provide this information.

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Table 6.1 - Price Robustness

(Please see question F10)

Cost Heading	Value	Any element of risk pricing due to the Partnership's approach to risk transfer	Derivation of the Cost	Reference to other supporting information in the Final Tender (see <i>paragraph below the Table</i>)	Any assumptions that have had to be made due to lack of information	A statement of how, and when, any provisional elements will be firmed up	For assumptions made, an assessment of the worst case that is likely to materialise, based upon the work completed to date. Plus values of any caps/guarantees offered.
			e.g. fixed quote, estimate				

7. LEGAL AND CONTRACTUAL REQUIREMENTS

The following section outlines the submission requirements for the legal aspects of the Draft Final Tenders and Final Tenders.

7.1 Status of the Documentation

- 7.1.1 Appendix 7 contains the ISFT version of the Project Agreement (together with the legal Schedules thereto).
- 7.1.2 Participants are reminded that they have agreed the ISFT version of the Project Agreement as a condition of their participation in the ISFT stage, subject only to the outstanding issues set out in section 7.4.2 below.
- 7.1.3 For the avoidance of doubt, the Partnership is under no obligation to discuss any points other than those expressly set out in section 7.4.2 below. Participants are reminded that the Partnership has reserved the right to reject a Participant where there is any material change to a Solution and in particular where the Participant amends and/or withdraws any statement/position and/or introduces any new statement/position that is not consistent with the statements/positions included in the ISDS submission save to the extent agreed with the Partnership (in its absolute discretion) section 2.10.2(f) of this ISFT.

7.2 Submission Requirements of the Draft Final Tender

- 7.2.1 Participants shall submit the following as part of the Draft Final Tender:-
 - (a) Written confirmation from the Participant that the Draft Final Tender submission represents the views of all members of the Participant's Team including letters of support from each Sub-Contractor and each funder (in the case of a corporately funded Solution, the shareholders within the Participant's group providing the funding). The letters of support should confirm that they have satisfied themselves of the risk and liabilities to be assumed under the relevant sub-contract/contract.
 - (b) Mark-up of the Project Agreement and the legal Schedules and completed Commentary Table showing any changes made to the ISFT version of the Project Agreement (please see paragraph 7.4 below).
 - (c) Agreed form Sub-Contracts and Off-Take Contracts for each of the proposed sub contracting/off-take arrangements in respect of the carrying out of the works and the Services under the Project Agreement.

- (d) Organisational chart illustrating the relationship between the Participant and each Sub-Contractor/Off-take contractor.
- (e) Participants are also required to provide details in a letter from the Contractor's guarantor company, signed by the Board, confirming its corporate authority to enter into and agreement to the form of the Parent Company Guarantee to be provided directly to the Partnership to guarantee the performance and liabilities of the Contractor on a primary obligation basis under the Project Agreement. Equivalent letters of support shall also be required in respect of any parent company guarantees to be provided by any Sub-Contractors.
- (f) In the case of a non-UK guarantor, the Partnership will also require a legal opinion from a registered law firm of the relevant jurisdiction confirming the guarantor's powers to enter into and the general enforceability of the parent company guarantee.

7.2.2 The Partnership reserves the right to request further documentation, as part of the legal and contractual review at any time during the ISFT stage.

7.3 Submission Requirements of the Final Tender

7.3.1 The Partnership's clear expectation is that the legal documentation will be in an agreed form pursuant to section 4 and 7.2 prior to the Draft Final Tender submission deadline. As such, the Partnership does not anticipate further versions of the legal documentation being submitted as part of the Final Tenders. This assumption will be kept under review and written clarification will be issued to the Participants prior to the submission date for the Final Tenders.

7.4 Project Agreement

7.4.1 For the purposes of this Section 7 (Legal and Contractual Requirements) Participants are required to submit a detailed mark-up and commentary table for the Project Agreement and the following legal Schedules:-

- (a) Schedule 1 (Definitions);
- (b) Schedule 5 (Ancillary Documents);
- (c) Schedule 6 (Contractor Warranted Data);
- (d) Schedule 7 (Sites Information);
- (e) Schedule 8 (Key Dates);
- (f) Schedule 9 (Review Procedure);

- (g) Schedule 10 (Required Insurances);
- (h) Schedule 12 (Independent Certifier's Deed of Appointment);
- (i) Schedule 13 (Partnership's Policies) all Policies are available in the Project Data Room;
- (j) Schedule 14 (Waste Law List);
- (k) Schedule 17 (Compensation on Termination);
- (l) Schedule 18 (Liaison Procedure);
- (m) Schedule 19 (Revision of Base Case and Custody);
- (n) Schedule 20 (Employment and Pensions);
- (o) Schedule 21 (Change Protocol);
- (p) Schedule 22 (Dispute Resolution Procedure);
- (q) Schedule 23 (Commercially Sensitive Information);
- (r) Schedule 25 (Form of Collateral Warranty);
- (s) Schedule 26 (Planning);
- (t) Schedule 27 (Approach to Permit);
- (u) Schedule 28 (Relevant Discharge Terms); and
- (v) Schedule 31 (Parent Company Guarantee).

Please note that any references to the Project Agreement in this Section 7 shall include references to these Schedules.

7.4.2 The Participant confirms acceptance of the ISFT version of the Project Agreement in the form attached at Appendix 7 of this ISFT subject only to the outstanding matters as more particularly shown by drafting notes within the Project Agreement and/or in the Updated Commentary Table and such additional points which the Authority (in its absolute discretion) may determine require further dialogue.

7.4.3 If, and to the extent that, Participants propose further derogations to the Project Agreement (in addition to the items under Section 7.4.2 above) then they should submit, with their Draft Final Tender, a commentary detailing the projects specific and/or value for money reasoning for the proposal together with the proposed amendments (in the form set out in Appendix 3. However, Participants are reminded that their invitation to participate in the

ISFT stage was conditional upon their acceptance of all the terms of the Project Agreement including the Payment Mechanism, the Authority's Requirements and the Performance Measurement Framework) in the form attached at Appendices 6 and 8 to the ISFT. Accordingly, any further derogations will only be considered at the absolute discretion of the Partnership.

- 7.4.4 These proposed amendments should only be made by way of drafting amendments to the Project Agreement and must not include any comments:-
- (a) by way of footnotes in the Participants' mark-ups to the Project Agreement; or
 - (a) by way of narrative or explanation within the Project Agreement itself.
- 7.4.5 Please also note that any derogations will be subject to the prior approval of the Welsh Government having regard to their intention to standardise terms for residual waste procurements in Wales (as per the equivalent WIDP approach for waste projects in England).
- 7.4.6 Any such separate commentary submitted by Participants should be provided using the template set out in Appendix 3 (entitled Participant Commentary Table) and in a Microsoft Word format when submitted electronically. Please note that the Commentary Table shall be presented as a standalone document and shall not cross refer to drafting amendments contained in the Project Agreement.
- 7.4.7 If Participants do decide to submit drafting amendments to the Project Agreement, they should submit two copies of their mark-up - one "clean" version of the updated Project Agreement (in Microsoft word format) and one in a deltaxview (or equivalent) format which clearly highlights any additions, deletions and movements to the original drafting from the ISFT version of the Project Agreement distributed within this ISFT document.
- 7.4.8 Participants should note that any proposed amendments to the Project Agreement will be one of the elements taken into account in evaluating the Final Tender. Participants should note that they are likely to be negatively marked for proposing any amendments to the Project Agreement save to the extent that it can be demonstrated to the Partnership's satisfaction that such proposed amendments are for genuine project specific or value for money reasons.

7.5 Sub-Contracts

7. Legal and Contractual Requirements



- 7.5.1 Participants should note that the Partnership requires clarity as to the proposed sub contracting arrangements in respect of the carrying out of the Works and the provision of the Services under the Project Agreement. The Partnership therefore requires agreed form sub-contract to be entered in by the Participant to be submitted to the Partnership for review. This shall include the EPC Contract, the O&M Contract, any off-take/supply contracts and any third party waste contracts. The Partnership will wish to review the development of the sub-contracts during the Competitive Dialogue Procedure and to receive updates on amendments made on a regular basis.

8. EVALUATION METHODOLOGY

8.1 Introduction

- 8.1.1 The underlying principle of the Evaluation Methodology is to select the Most Economically Advantageous Tender (MEAT) that meets the Partnership's requirements for the Project. The Evaluation Methodology is designed to provide a structured and auditable approach to evaluating the Solutions submitted by the Participants.
- 8.1.2 The Evaluation Methodology set out in this section 8 will be used to evaluate the Solutions throughout the Competitive Dialogue Procedure including the ISFT stage. In addition to this, further detailed guidance will be provided at the start of each stage of the Competitive Dialogue Procedure with the relevant invitation and tender documentation.
- 8.1.3 The Partnership shall conduct dialogue meetings with the Participants in accordance with the process set out in the ISFT documentation and as otherwise required by the Partnership. For the avoidance of doubt, whilst assisting the Partnership to understand a Participant's Solution, information submitted by the Participants in response to requests by the Partnership during the dialogue meetings will not be scored.

8.2 Initial Assessment – Each Stage Of The Competitive Dialogue Procedure

- 8.2.1 At each stage of the Competitive Dialogue Procedure, the Solutions will first be reviewed to ensure that:-
- (a) the Solution has been submitted on time and meets the Partnership's submission requirements/instructions which have been notified to the Participants;
 - (b) the submission is sufficiently complete to enable the Solution to be evaluated in accordance with the Evaluation Methodology (the Partnership, may at its discretion, request additional information in relation to a Solution where this requirement has not been substantially met); and
 - (c) the Participant has not through any act or omission, placed the Partnership in contravention of the terms and conditions of the Competitive Dialogue Procedure.
- 8.2.2 Solutions that do not satisfy the initial assessment in accordance with paragraph 8.2.1 above may be rejected at this stage.

- 8.2.3 The Partnership reserves the right to amend and/or introduce additional requirements to be met in relation to the initial assessment at any stage of the Competitive Dialogue Procedure. Further details will be provided in the invitation to tender documentation at the start of each stage.

8.3 Detailed Assessment – Each Stage Of The Competitive Dialogue Procedure

Summary

- 8.3.1 Following the initial assessment in accordance with paragraph 8.2 above, a detailed evaluation exercise will be conducted by the Partnership. The Solutions will be scored against the Level 1, Level 2, Level 3 and Level 4 Criteria. The Partnership has weighted the Criteria to demonstrate the relative importance of each Criterion to the Partnership.
- 8.3.2 Table 8.0 below provides a summary of the Level 1 Criteria and the respective weightings at each stage of the Competitive Dialogue Procedure.
- 8.3.3 The Partnership is inviting Participants to the ISFT stage to invite the Participants to submit Final Tenders. The Partnership, in its absolute discretion, does not consider it necessary to hold an ISRS stage during this procurement process. Please see paragraph 8.4 below for further details of the Level 1, Level 2, Level 3 and Level 4 Criteria at the ISFT stage.

Table 8.0 - Level 1 Criteria and Weightings at Each Stage

Level 1 Criteria	Range of weightings	ISOS stage	ISDS stage	ISFT stage
Technical & Service Delivery	30-65	65	50	30
Deliverability and Integrity of the Solution	0-5	5	5	0
Finance & Commercial	20-55	20	30	55
Legal & Contractual	10-15	10	15	15
Total		100	100	100

8.3.4 The Level 1, Level 2, Level 3 and Level 4 Criteria will remain fixed throughout the Competitive Dialogue Procedure.

8.3.5 However, the Partnership reserves the right to:-

- (a) introduce a further more detailed level of Criteria at any stage of the Competitive Dialogue Procedure; and
- (b) refine and/or adjust the detailed methodology to be applied to the evaluation of the Criteria at any subsequent stage provided such refinement and/or adjustment is within the parameters of the Level 1, Level 2, Level 3 and Level 4 Criteria set out in this section 8.

8.3.6 Where weightings are expressed with 0% as being the lowest weighting to be taken into account for a Criterion during the Competitive Dialogue Procedure that means that at some stage of the procedure that Criterion may not be taken into account in the evaluation. The effect of not scoring such Criteria will not have the effect of advantaging or disadvantaging a particular Participant. All Participants will receive a score of zero against those Criteria.

8.3.7 The Partnership will inform the Participants still participating in the process of any changes under this section 8 at the start of the relevant stage of the Competitive Dialogue Procedure.

8. Evaluation Methodology



8.4 Detailed Assessment – ISFT stage

8.4.1 Table 8.1 below sets out the Criteria and weightings to be used to evaluate the Solutions at the ISFT stage of the Competitive Dialogue Procedure. The table also sets out the information requested as part of the Draft Final Tender and Final Tender applicable to each Criterion. The Cross Reference section refers to the requirements as set out in Sections 5, 6 & 7 of this ISFT.

Table 8.1 - Criteria and Weightings to be used to evaluate the Final Tenders

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
L1 .1 Technical & Service Delivery	30	L2.1 Technical Solution	20	L3.1 Solution Summary	10	N/A	N/A	1.1a, 3.1, 3.2, 3.3, 3.4, 5.1, 5.2
				L3.2 Diversion of total waste from landfill	15	N/A	N/A	3.1, 5.1
				L3.3 Diversion of BMW from landfill	15	N/A	N/A	3.1, 5.1
				L3.4 The percentage Contract Waste that is Recycled or Composted	15	N/A	N/A	3.2, 5.1
				L3.5 Energy Profile	15	N/A	N/A	3.3
				L3.6 Provision of Contingency Arrangements	15	N/A	N/A	1.2, 3.7, 4.1, 4.2, 4.11

8. Evaluation Methodology

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
				L3.7 Flexibility to adapt to changes in Waste Composition and Tonnages	15	N/A	N/A	5.3 (design flexibility) 1.2 (Design Flexibility)
		L2.2 Works Phase	30	L3.8 Quality and robustness of Construction/EPC contract specification	20	N/A	N/A	1.1b, 1.2
				L3.9 Quality of Works Phase programme	20	N/A	N/A	1.1a, 1.1b, 1.2, 1.3, 1.4, 1.9, 1.10, 1.11, 1.12
				L3.10 Sustainable Construction	20	N/A	N/A	1.5
				L3.11 Testing and Commissioning	20	N/A	N/A	2.1, 2.2, 2.3, 2.4, 2.5, 2.6
				L3.12 Maintenance Arrangements	20	N/A	N/A	5.4
		L2.3 Environment & Planning	20	L3.13 Key planning issues identified	15	N/A	N/A	1.7
				L3.14 Approach to securing consents and authorisations	15	N/A	N/A	1.1a, 1.7
				L3.15 Robustness of	20	N/A	N/A	1.1a, 1.7

8. Evaluation Methodology

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
				permitting timetable				
				L3.16 Quality of design and compatibility with local planning requirements	20	N/A	N/A	1.5, 1.6, 1.7, 1.8, 5.3
				L3.17 Environmental Impact Assessment	20	N/A	N/A	1.8, 3.6, 3.5
				L3.18 Stakeholder Communications Plan	10	N/A	N/A	4.7
		L2.4 Service Delivery	30	L3.19 Operational phase management arrangements	15	N/A	N/A	4.8, 5.8, (5.10 excluding reporting element)
				L3.20 Quality of Transport plan	25	N/A	N/A	5.9
				L3.21 Collection Partnership Interfaces	15	N/A	N/A	4.2, 4.3, 4.4, 4.5
				L3.22 Health and safety arrangements	5	N/A	N/A	5.6, 5.7
				L3.23 EMS and QA systems	5	N/A	N/A	5.5

8. Evaluation Methodology

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
				L3.24 Arrangements for continuous improvements	5	N/A	N/A	4.9
				L3.25 Quality of data acquisition and reporting arrangements	10	N/A	N/A	4.10, 4.11, (5.10 data reporting element only)
				L3.26 Technical and environmental benefits of Third party Waste	10	N/A	N/A	4.6
				L3.27 Managing complaints	5	N/A	N/A	(4.7, 4.8, Enquires and Complaints element only)
				L3.28 Provisions for Aftercare & Hand-back	5	N/A	N/A	6.1
L1.2 Deliverability and Integrity of the Solution	0	L2.5 Deliverability of Site(s)	0	N/A	N/A	N/A	N/A	7.2
		L2.6 Corporate and Social Responsibility	0	N/A	N/A	N/A	N/A	7.3

8. Evaluation Methodology

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
		L2.7 Integrity of the Development and Delivery of the Solution	0	N/A	N/A	N/A	N/A	7.1
L1.3 Financial & Commercial	55	L2.8 Affordability (COST)	67	L.3.29 Price and Affordability	84	L.4.1 Upper Affordability Threshold	50	F1-F3, F5-F9, F11, F12, F14-F20, F22-F25, F29-F31, F34, F35, (Table 6.1)
						L.4.2 Lowest Tendered Price	50	F1-F3, F5-F9, F11, F12, F14-F20, F22-F25, F29-F31, F34, F35, (Table 6.1)
				L.3.30 Payment Profile	6	N/A	N/A	F1-F3, F5-F9, F11, F12, F14-F20, F22-F25, F29-F31, F34, F35, (Table 6.1)
				L.3.31 Sensitivity Testing	10	N/A	N/A	F1-F3, F5-F9, F11, F12, F14-F20, F22-F25, F29-F31, F34, F35

8. Evaluation Methodology

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
		L2.9 Financial Robustness	11	N/A	N/A	N/A	N/A	F1, F3, F4, F5, F7-F11, F15-F19, F21, F22, F23-F26, F28-F33, F38, F39
		L2.10 Deliverability of Funding Package	11	N/A	N/A	N/A	N/A	F3, F5, F26-F34
		L2.11 Acceptance of Payment Mechanism	11	N/A	N/A	N/A	N/A	F2, F5, F12, F13, F20, F23, F35
L1.4 Legal & Contractual	15	L2.12 Risk Allocation & Commercial Terms	70	N/A	N/A	N/A	N/A	Please see sections 7.2.1 (a) and (b)
		L2.13 Contractual Structure	15	N/A	N/A	N/A	N/A	Please see sections 7.2.1(a), Schedule 25 (Form of Collateral Warranty) to the Project Agreement under 7.2.1(b) only, 7.2.1(c) and 7.2.1(d)
		L2.14 Approach Towards Key	15	N/A	N/A	N/A	N/A	Please see sections 7.2.1 (b) and (c)

8. Evaluation Methodology

Level 1 Criteria	Weighting	Level 2 Criteria	Weighting	Level 3 Criteria	Weighting	Level 4 Criteria	Weighting	Cross-Reference to
		Project Risks						

8.5 Following Submission of the Solutions

- 8.5.1 Participants may be asked to present their Solution to the Partnership to illustrate and clarify the scope of their Solution. For the avoidance of doubt, whilst assisting the Partnership to understand a Participant's Solution, the presentation will not be scored.
- 8.5.2 The Partnership shall conduct dialogue meetings with the Participants on the dates set out in section 1.10. Please note that these dates are indicative only and the Partnership reserves the right to change any or all of them.
- 8.5.3 The Partnership also reserves the right to issue clarification questions to clarify and develop the Participant's Solution or to hold further meetings to clarify a Participant's submission following submission of the Solutions. Information submitted by the Participants via the Portal in response to clarifications will be taken into account when evaluating the Solution.
- 8.5.4 The Partnership reserves the right to visit Participants' reference sites in order to fully understand the Participants' Solution as part of the Partnership's due diligence process. For the avoidance of doubt, whilst assisting the Partnership to understand a Participant's Solution, the reference site visits will not be scored.

8.6 Scoring the Solution

- 8.6.1 The lowest level Criterion will be scored by the Partnerships using the scoring frameworks set out in section 8.
- 8.6.2 For instance, the score for the Level 2 Legal and Contractual Criteria will be multiplied by their respective weightings and added together to give the score for the evaluation of the relevant Level 1 Criterion. The scores for each Level 1 Criterion will then be multiplied by their respective weightings and added together to arrive at a total score for that Solution.
- 8.6.3 In relation to Technical and Service Delivery of the Solution, where there is more than one question to be evaluated to reach the score for the lowest level Criterion, the questions will carry an equal weighting of that available score.
- 8.6.4 In relation to Financial and Commercial and Legal and Contractual, where there is more than one question to be evaluated to reach the score for the lowest level criterion, the responses to the questions will be evaluated in the round by reference to the stated scoring framework.

- 8.6.5 Participants will be ranked accordingly to their scores and the intention is to appoint the Participant with the highest scoring Solution as the Preferred Bidder. The Authority reserves the right to appoint a Reserved Bidder in the event of any breach by the Preferred Bidder of its obligations under the Preferred Bidder letter.
- 8.6.6 Please note that consideration of the Solutions and the short listing of successful Participants to be issued with the tender documentation does not amount to any representation by the Partnership as to the acceptability of the Participants' proposals. The Partnership will fully evaluate the acceptability of proposals as part of the ISFT evaluation stage.

8.7 Detailed Assessment – ISFT stage - Further Information - Technical And Service Delivery

- 8.7.1 All technical and service delivery questions will be evaluated using Table 8.2 (General Scoring Mechanism of Technical and Service Delivery), except where identified separately in Table 8.3.
- 8.7.2 The evaluation will be undertaken against the Technical and Service Delivery Criteria and respective weightings set out in section 8.4. For the avoidance of doubt where the scoring is 0-10, a score of 10 is equal to 100% of the marks available.

Table 8.2 - General Scoring Mechanism of Technical and Service Delivery

Score	Term	Explanation
0	Unacceptable	The information is either omitted or fundamentally unacceptable to the Partnership.
2	Poor	The information submitted has insufficient evidence that the specified requirements can be met and/or does not demonstrate an acceptable level of quality of the proposed solution. This may include significant omissions of relevant details.
4	Fair	The information shows limited evidence that the specified requirements can be met and/or demonstrates only limited level of quality of the proposed solution.
7	Satisfactory	The information submitted provides good evidence that the specified requirements can be met and/or demonstrates a satisfactory level of quality of the proposed solution.
9	Very good	The information submitted provides strong evidence that the specified requirements can be met and/or demonstrates a very good level of quality of the proposed solution.
10	Outstanding	The information submitted provides compelling and coherent evidence of best of sector capability to deliver the specified requirements and which will provide additional benefits and/or exceed the performance requirements of the contract with a high degree of dependability and best of sector methodology.

Table 8.3 - ISFT Technical Scoring Guidance Table

Level 3 Criteria	Guidance
L3.1 Solution Summary	<p>The General Scoring Mechanism will apply, however the evaluation will consider the following:</p> <p>Clear, concise and complete Solution summary.</p> <p>Clear and deliverable Overall Project Programme.</p> <p>Robust demonstration of how their choice of technology and overall technological solution for this project is capable of operating effectively at the required input capacity, using the feedstock source and type provided and, emissions standards.</p> <p>The Solution meets and exceeds the requirements of the Partnership's Requirement.</p> <p>Robustness and credibility of any CHP solution proffered.</p> <p>Whether the solution credibly meets and exceeds required targets.</p>
L3.2 Diversion of total waste from landfill	<p>A score of 0 = The information submitted guarantees that the proposed solution will achieve less than 85% Contract Waste Diversion from Landfill.</p> <p>A score of 7 = The information submitted guarantees that the proposed solution will achieve 85% Contract Waste Diversion from Landfill.</p> <p>A score of 9 = The information submitted guarantees that the proposed solution will achieve 85.1 - 90% Contract Waste Diversion from Landfill.</p> <p>A score of 10 = The information submitted guarantees that the proposed solution will achieve 90.1 - 100% Contract Waste Diversion from Landfill.</p>

<p>L3.3 Diversion of BMW from landfill</p>	<p>A score of 0 = The information submitted guarantees that the proposed solution will achieve less than 90% BMW Diversion from Landfill.</p> <p>A score of 7 = The information submitted guarantees that the proposed solution will achieve 90% BMW Diversion from Landfill.</p> <p>A score of 9 = The information submitted guarantees that the proposed solution will achieve 90.1 - 95% BMW Diversion from Landfill.</p> <p>A score of 10 = The information submitted guarantees that the proposed solution will achieve 95.1 - 100% BMW Diversion from Landfill.</p>
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<p>L3.4 The percentage Contract Waste that is Recycled or Composted</p>	<p>A score of 0 = The information submitted demonstrates that the proposed solution will achieve less than 60% recycling/composting of all Waste Facility Outputs</p> <p>A score of 1 = The information submitted demonstrates that the proposed solution will achieve between 60.1% and 63.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 2 = The information submitted demonstrates that the proposed solution will achieve between 64% and 67.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 3 = The information submitted demonstrates that the proposed solution will achieve between 68% and 71.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 4 = The information submitted demonstrates that the proposed solution will achieve between 72% and 75.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 5 = The information submitted demonstrates that the proposed solution will achieve between 76% and 79.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 6 = The information submitted demonstrates that the proposed solution will achieve between 80% and 83.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 7 = The information submitted demonstrates that the proposed solution will achieve between 84% and 87.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 8 = The information submitted demonstrates that the proposed solution will achieve between 88% and 91.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 9 = The information submitted demonstrates that the proposed solution will achieve between 92% and 95.99% recycling/composting of all Waste Facility Outputs</p> <p>A score of 10 = The information submitted demonstrates that the proposed solution will achieve >96% recycling/composting of all Waste Facility Outputs.</p> <p>Subject to result of proposed WG consultation the Contractor should assume that recycling rates are based on the overall recycling performance of the facility (including front end rejects that are not classified as Ad-hoc Waste). Evaluation of All Waste Facility Outputs shall be carried out in accordance with Appendix F of the Authority's</p>
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	<p>Requirements.</p> <p>The Assessment is based on Guaranteed levels of recycling.</p>
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L3.5 Energy Profile	<p>Participants will be scored on the net energy efficiency of the Solution as calculated by Sheet 4b of the Technical Solution Pro-forma Appendix 13.</p> <p>Scoring for the net energy efficiency will be is as follows:</p> <p>0 marks for <22% or lack of evidence provided</p> <p>1 mark for 22% to 25.9%</p> <p>2 marks for 26% to 29.9%</p> <p>3 marks for 30% to 33.9%</p> <p>4 marks for 34% to 37.9%</p> <p>5 marks for 38% to 41.9%</p> <p>6 marks for 42% to 45.9%</p> <p>7 marks for 46% to 49.9%</p> <p>8 marks for 50% to 53.9%</p> <p>9 marks for 54% to 57.9%</p> <p>10 marks for >58%</p>
L3.6 Provision of Contingency Arrangements	<p>The General Scoring Mechanism will apply, however the evaluation will consider the following:</p> <p>The comprehensiveness of the Participant's approaches to all aspects of contingency planning and the level of certainty offered for contingency solutions (short-medium and long term).</p> <p>Where Participant's contingency arrangements maintain target delivery and reduce impacts to service users.</p> <p>Higher scores will be awarded for contingency arrangements that maintain performance and minimise the impact on the Partnership.</p> <p>Clear and robust approach to re-starting services following a major service disruption (Disaster Recovery Plan).</p> <p>Clear and credible demonstration that the contract waste can always be delivered to the contractor.</p> <p>A well planned and fully developed set of contingency</p>

	<p>proposals relating to construction and planning delay.</p> <p>Clear and deliverable contingency arrangements to ensure information management systems, software and hardware are not compromised and data is stored and not lost.</p>
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<p>L3.7 Flexibility to adapt to changes in Waste Composition and Tonnages</p>	<p>The General Scoring Mechanism will apply, however the evaluation will consider the following:</p> <p>The extent to which the solution is capable of tolerating and maintaining performance through changes in the composition and volume of Input Waste.</p> <p>Facility capacity is capable of handling the Partnership's Contract waste.</p>
<p>L3.8 Quality and robustness of Construction/EPC contract specification</p>	<p>The General Scoring Mechanism will apply, however the evaluation will consider the following:</p> <p>Clear and credible Overall Project Programme and Construction Programme.</p> <p>Provide robust and project specific detail to substantiate the choice of EPC contractor, with clear CQA arrangements in place. Clear and unambiguous EPC and subcontracting arrangements demonstrating effective methods in place for meeting delivery timescales.</p> <p>Clear Project management structure.</p> <p>Clear and robust approach to health, safety and QMS during the works and commissioning phases that meet or preferably exceed industry standards.</p> <p>Provision of a clear and credible Works Delivery plan and construction phase programme with the exception of construction and planning contingency arrangements.</p> <p>Well considered approach and scheduling for enabling works.</p> <p>A robust and comprehensive approach to the works and commissioning health and safety requirements.</p> <p>A robust and comprehensive approach to the works and commissioning environment and quality management requirements.</p> <p>A clear plan for reporting the works, construction and commissioning phases.</p> <p>Clear and comprehensive outline approach for issuing, reviewing and updating operational manuals and as built drawings.</p>

	<p>A clear and robust Service Mobilisation and Transition Plan.</p> <p>Deliverable approach to delivering BREEAM Standard and</p>
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	level of award proposed. Approach to construction site waste management plans.
L3.9 Quality of Works Phase programme	<p>A clear, robust and comprehensive design process to deliver the specified sustainability requirements & the highest of BREEAM Standards Practical transition arrangements from Partnership management to Contractor including management of Partnership operations affected by construction requirements.</p> <p>Provide a clear and robust approach to delivering the commissioning requirements and the sign off arrangements for each technology/facility.</p> <p>The extent of the Participant guarantees and warranties for all process plant and the construction (from a technical perspective).</p> <p>The extent to which the solution provides sound and complete delivery of the works, construction, commissioning and maintenance requirements outlined in the Contractor's Method Statements and Authority's Requirements.</p> <p>Programme of enabling works demonstrating clear benefits of the approach whilst minimising disruption.</p> <p>Civil and building works proposals, specifications and standards that meet and preferably exceed industry requirements.</p> <p>Attaining high standards of sustainable construction and effective site waste management proposals.</p> <p>Well established maintenance requirements, disruption is reduced and the full scope of key maintenance schedules are provided.</p>
L3.10 Sustainable Construction	
L3.11 Testing and Commissioning	
L3.12 Maintenance Arrangements	
L3.13 Key planning issues identified	The General Scoring Mechanism will apply, however the evaluation will consider, but not necessarily be limited to, the

L3.14 Approach to securing consents and authorisations	<p>following:</p> <p>Consideration of Planning Risks and Planning Proposals (planning and permitting schedule, planning timetable, approach to planning, demonstrating how relevant successful applications will bring benefits to this project, planning team, consistency with regional and local policies).</p> <p>Robust evidence to mitigate site condition issues</p> <p>Likelihood of securing Planning Permission (location, technology choice and design features, site size and land take, suitability of proposed use).</p>
L3.15 Robustness of permitting timetable	
L3.16 Quality of design and compatibility with local planning requirements	<p>The General Scoring Mechanism will apply, however the evaluation will consider the following:</p> <p>Provision of an established and experienced design team including clear and robust approach to interfacing with Partnership throughout design development process</p> <p>Provision of a suitable, safe and well functioning facility layout and design, with a clear understanding of the operations, vehicles, traffic flows and routing demonstrated through the design.</p> <p>Extent to which design proposals are compatible to CABE</p> <p>Provision of key Design Drawings and comprehensive list of key Design Parameters.</p> <p>Unresolved sources of design input are complete and clear proposals are provided for their resolution.</p> <p>List of design documents and content.</p> <p>Design and proposed application of the technologies proposed with the exception of how the facility design provides flexibility in relation to changes in volume and composition.</p> <p>Design is sensitive to the surroundings and local planning requirements (with the exception of environmental impact controls), demonstrating clear and effective mitigation measures.</p> <p>Clear and robust Architectural Design concepts and</p>

	<p>proposals are provided.</p> <p>Facility operational envelopes in terms of the key design parameter(s) are compatible with requirements.</p> <p>Detailed arrangements for Design Quality Assurance.</p>
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L3.17 Environmental Impact Analysis	<p>The assessment of the Environmental Impact will be split into 3 equally weighted parts as follows:</p> <p>1. Evaluators will identify the Solution that demonstrates the best case improvement (the 'Best Case') over and above the Partnership's Outline Business Case option of 'Do Nothing' - Landfill with High Recycling' (i.e. the 'Worst Case'). The Best Case performing Solution after the WRATE modelling has been applied will then equal 100% and score 10 and sets the benchmark to be applied. The performance of the Solution in relation to the Participant's global warming WRATE results using the following table:</p>	
	Score	Participant response descriptor
	0	The information submitted demonstrates that the proposed solution will result in a greater negative environmental impact than The Partnership's "Worst Case" and/or has omissions in the data supplied.
	2	The information submitted demonstrates that the proposed solution will result in a greater negative environmental impact than The Partnership's "Worst Case".
	4	The information submitted demonstrates that the proposed solution will result in the same environmental impact as The Partnership's "Worst Case".
	5	The information submitted demonstrates that the proposed solution will achieve 0.1 - 55% improvement of the Environmental Impact achieved by the Best Case improvement submitted.
	6	The information submitted demonstrates that the proposed solution will achieve 55.1 - 65% improvement of the Environmental Impact achieved by the Best Case improvement submitted.
	7	The information submitted demonstrates that the proposed solution will achieve 65.1 - 75% improvement of the Environmental Impact achieved by the Best Case improvement

		submitted.								
	8	The information submitted demonstrates that the proposed solution will achieve 75.1 - 85% improvement of the Environmental Impact achieved by the Best Case improvement submitted.								
	9	The information submitted demonstrates that the proposed solution will achieve 85.1 - 95% improvement of the Environmental Impact achieved by the Best Case improvement submitted.								
	10	The information submitted demonstrates that the proposed solution will achieve 95.1 - 100% improvement of the Environmental Impact achieved by the Best Case improvement submitted.								
	2. The Participants approach to the Carbon Management Plan considering how robust the approach is for measuring and quantifying the carbon footprint for the whole service. Evidence must be provided to demonstrate how the carbon impact of the Service will be reduced over the contract period. The Carbon management plan will be scored using the following table:									
	<table><tr><th>Score</th><th>Participant response descriptor</th></tr><tr><td>0</td><td>Has serious omissions in the data supplied or fails to provide sufficient explanation of Carbon Impact and/or how it will be reduced over the life of the contract.</td></tr><tr><td>4</td><td>Provides explanation of Carbon Impact and how it will be reduced over the life of the contract, but lacks detail.</td></tr><tr><td>7</td><td>Provides sufficient explanation of Carbon Impact and how it will be reduced over the life of the contract.</td></tr></table>		Score	Participant response descriptor	0	Has serious omissions in the data supplied or fails to provide sufficient explanation of Carbon Impact and/or how it will be reduced over the life of the contract.	4	Provides explanation of Carbon Impact and how it will be reduced over the life of the contract, but lacks detail.	7	Provides sufficient explanation of Carbon Impact and how it will be reduced over the life of the contract.
Score	Participant response descriptor									
0	Has serious omissions in the data supplied or fails to provide sufficient explanation of Carbon Impact and/or how it will be reduced over the life of the contract.									
4	Provides explanation of Carbon Impact and how it will be reduced over the life of the contract, but lacks detail.									
7	Provides sufficient explanation of Carbon Impact and how it will be reduced over the life of the contract.									

	9	The information submitted provides strong evidence that the carbon impact can be reduced over the life of the contract and demonstrates a very good level of quality of the proposed solution.
	10	The information submitted provides strong evidence that the carbon impact can be reduced over the life of the contract supported with operational information and demonstrates a very good level of quality of the proposed solution.
	The effectiveness of the proposed mitigation of environmental impacts associated with the management of waste (e.g. visual impacts; odour, noise and dust; emissions; effluents, etc). The Solution's ability to minimise health impacts on employees, the local community and provide effective impact mitigation will also be assessed using the General Scoring Mechanism.	
L3.18 Stakeholder Communications Plan	<p>Robust and well evidenced approach to communications and consultation using a variety of well established and effective techniques covering all aspects including planning, construction, commissioning and service provision (with the exception of enquires and complaints).</p> <p>Adequate timing of consultation activities and robust procedures for updating and monitoring consultation and information provision.</p>	
L3.19 Operational phase management arrangements	<p>The General Scoring Mechanism will apply, however the evaluation will consider the following:</p> <p>Robust approach to delivering the marketing plan, demonstrating long term markets for all products and residues with signed heads of terms for each.</p> <p>Demonstration of a clear strategy for recruitment and training including a clear and robust approach to monitoring and validating staff training. Adequacy of staff training provisions (Staff Training Plan) for all levels of employees, using innovation in approaches to sourcing and training staff.</p> <p>Whether the staffing levels are adequate for the operation of the facilities; the staff has suitable qualifications to operate the facilities, the spread of management (Management Plan), supervisory and operational staff.</p> <p>The skills and qualifications of the contract mobilisation team</p>	
L3.20 Quality of Transport plan		
L3.21 Collection Partnership Interfaces		
L3.22 Health and safety arrangements		
L3.23 EMS and QA systems		
L3.24 Arrangements for continuous improvements		

L3.25 Quality of data acquisition and reporting arrangements	<p>and how their experience of delivering projects and mobilisation will be of benefit to this Project.</p> <p>Robust and comprehensive Transport Plan for works and operations phases.</p>
L3.26 Technical and environmental benefits of Third party Waste	
L3.27 Managing complaints	
L3.28 Provisions for Service De-Mobilisation	<p>Accredited systems and robust approaches for quality control and performance monitoring, site management, policy and procedures, report and client liaisons, Health and safety (with the exception of construction and commissioning health and safety requirements), fire and emergency plan, IT systems, data reporting, service interfaces, employment arrangements, etc (with the exception of information management contingency and construction and commissioning phase reporting).</p> <p>Compliance with environmental legislation, Environmental policies and robustness of Quality and Environmental Management System (with the exception of construction and commissioning QMS requirements).</p> <p>Robust and effective approach to data management and reporting (including material flows and performance).</p> <p>Clear and robust proposals for Hardware and software management that ensures a compatible client interface.</p> <p>Effective approach to the acceptance of waste (dealing with Contract and non Contract Waste, Waste Acceptance Plan, procedures for recording waste, monitoring vehicles, overall acceptability of waste acceptance criteria including the flexibility to accept varied loads, with the exception of providing contingency to ensure waste can be delivered.</p> <p>Clear and deliverable approach to ensuring turnaround times are met, including clear traffic/queue monitoring.</p> <p>Opening hours are in line with requirements.</p> <p>Approach to site security and bilingual signage.</p> <p>Clear and robust approach to managing and reporting enquires and complaints.</p>

	<p>Approach to in monitoring, reviewing and managing performance against agreed KPIs using appropriate evidence that can be applied to this project.</p> <p>The adequacy of the mechanisms that will be used to monitor, improve performance on this Project throughout the contract term.</p> <p>Robustness and certainty demonstrated in the Third Party Waste plans, including clear and coherent third party proposals that demonstrate environmental and technical benefits, and credible proposals for ensuring all reasonable endeavours are used to keep the facility operating at maximum capacity, including the monitoring and management of waste flows and the process of reconciliation in the event of a GMT shortfall.</p> <p>Clear, comprehensive and robust plans for de-mobilisation of the Services to minimise impacts on the Partnership and avoid disruption.</p>
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Level 2 Criteria	Guidance
L2.5 Deliverability of Site(s)	N/A
L2.6 Corporate and Social Responsibility	N/A
L2.7 Integrity of the Development and Delivery of the Solution	N/A

8.8 Detailed Assessment – ISFT stage – Further Information – Financial and Commercial

8.8.1 Introduction

- (a) The following section provides details of how the financial aspects of the Final Tenders will be evaluated.
- (b) The financial evaluation will be undertaken against the Financial Evaluation Criteria and respective weightings as set out in Table 8.1 and section 8.4.
- (c) The detailed methodology for evaluating the submitted Solutions against the Financial Evaluation Criteria is set out for each Evaluation Criteria in the scoring matrices below.
- (d) The Financial Modelling Instructions and Assumptions set in Appendix 9 will be reviewed and may be amended at the start of each stage of the Competitive Dialogue Procedure with any changes being subject always to the principles of transparency, equal treatment and non-discrimination.

8.8.2 Affordability (Cost)

- (a) The Level 2 "Affordability (Cost)" Criterion is sub-divided into three Level 3 sub criteria, being:
 - (i) Price and Affordability;
 - (ii) Payment Profile;
 - (iii) Sensitivity Testing.

8.8.3 Whole System Cost

- (a) The Criterion "Price and Affordability" will be assessed on the basis of the net present value ("NPV") of the whole system cost of each Solution ("Whole System Cost").
- (b) The Whole System Cost will comprise the sum of:
 - (i) the NPV of the Price bid back in the Price Pro-forma (Appendix 5 ISFT Financial Bid Forms) calculated in accordance with the instructions in Appendix 9 ISFT Financial Modelling Instructions;
 - (ii) any adjustments made by the Partnership to represent the expected NPV of risks not accepted by the Participant where these are appropriate, material and quantifiable such that they can be priced by the Partnership;

- (iii) the NPV of any additional costs, lost income or benefits to the Partnership Authorities as a whole as a consequence of the Solution (being the Whole System Cost adjustment).
- (c) For the avoidance of doubt, the estimated cost of disposal of Contract Waste through the proposed Solution will not include the impact of any Capital Contribution. Also, all projected Contract Waste tonnages being made available for Commissioning in the period between 1st of September 2015 and 31st of March 2016 that are not assumed to be processed as Commissioning Waste will be assumed to be landfilled at the forecast 2015/16 landfill gate fee and landfill tax as identified in the "Price Pro-forma" in Appendix 5-Financial Bid Forms ISFT.

8.8.4 Whole System Cost Adjustments and Assumptions

- (a) The Whole System Cost adjustments and assumptions to apply for the evaluation of the Level 3 "Price and Affordability" criteria are set out below and in 8.8.5 and 8.8.6. Whilst the Partnership has endeavoured to set out the assumptions on a reasonable basis, it is possible that these could change during the procurement process. Accordingly at each further Stage of the procurement, the assumptions will be reviewed with any changes made being subject always to the principles of transparency, equal treatment and non-discrimination.
- (b) Whole System Cost adjustments are cost and/or income adjustments which the Partnership will make (either positive or negative) under certain circumstances to Participants' estimated prices in order to ensure the full cost of the Participants' Solutions to the Partnership is taken into account and assessed. Whole System Costs may include 'income' to the Partnership, as well as the following costs set out in the table below (to the extent applicable to the Solution).

Table 8.4 - Whole System Cost Assumptions and Adjustments

This Table is part of section [8.8.4] also titled Whole System Cost Assumptions and Adjustments.

Nature of Cost/Income	Value to be applied	Circumstances/Basis on which it would be applied
Transport Costs per tonne per mile	30 pence per tonne per mile (Real) at 2008/9 prices.	To the extent that Participants are not incorporating any/all of the costs of the transport and transfer loading of Contract Waste prior to being received at the final Delivery Point(s), this standard transport cost will be added. The calculation will apply an adjustment if the Contractor is proposing a Delivery Point(s) other than a Delivery Point at the "Optional Site" and the Partners' overall transportation costs to the Contractor's Delivery Point(s) are either above or below their assumed transportation costs to the "Optional Site". Transportation costs are measured from the locations shown in the Authorities' Requirements.
Residual life less than 5 years	To be assessed, depending upon Solution	Where the Partnership does not have access to 5 years of ongoing use of the Facility after Expiry of the Project Agreement (i.e. if the Facility does not revert back to the Partnership on Expiry or if an extension to the contract for up to 5 years at a pre-agreed price cannot be agreed), an adjustment will be made to reflect the difference between anticipated waste disposal costs to the Partnership in such circumstances and the anticipated cost to the Partnership of continued operations at a Facility with 5 years of residual life. The assessment will be for the full 5 year period and anticipated waste disposal costs will be based upon the assumed Landfill related costs (as set out in Appendix 9 Financial Modelling Instructions and Assumptions).
Financial benefit to the Partnership if a part/all of the "Optional Site" is not proposed to be used by the Participant	Minimum value £150,000 plus VAT per net developable	To the extent that a Participant does not require all or part of the "Optional Site", the value will be offset from the Participant's Whole System Cost (i.e. there will be a credit to the Participant's cost). Where only part of the Optional Site is utilized by the Participant an

8. Evaluation Methodology



	acre ¹	assessment of the remaining area will be undertaken to allow for any reduction in value.
WG Revenue Grant Funding for the project		If the Participant's Solution does not meet the WG Funding Criteria the Whole System Cost of the Participant's Solution will be adjusted upwards to reflect the loss of the WG Revenue Funding the Partnership would have received had it met the WG Funding Criteria as calculated in Price Pro-forma Appendix 5 ISFT Financial Bid Forms - "Rev Grant Calc" Pro-forma

¹ The actual value of the site will only be determined when the option is exercised by the Partnership - which is not anticipated to take place until the Final Tender stage.

8.8.5 Electricity Lost Benefit Adjustment

- (a) If the Participant's Solution includes a guaranteed £ per MWh net electricity price figure in each Contract Year which is less than the net revenue per MWh for each year set out in the table below:

Table 8.5 - Electricity Price Forecast

Year Ended March	Electricity Price £/MWh (Nominal)
2016	60.0
2017	61.5
2018	63.0
2019	64.6
2020	66.2
2021	67.9
2022	69.6
2023	71.3
2024	73.1
2025	74.9
2026	76.8
2027	78.7
2028	80.7
2029	82.7
2030	84.8
2031	86.9
2032	89.1
2033	91.3
2034	93.6
2035	95.9
2036	98.3
2037	100.8
2038	103.3
2039	105.9
2040	108.5

- (b) and if the Participant's Solution does not include a stand alone "ring fenced" gain share arrangement for electricity income which provides the Partnership with 100% gain share up to the net revenue per MWh for each year set out in the table above, then the Partnership will make an "Electricity Lost Benefit Adjustment" to the Solution's Whole System Cost.
- (c) The "Electricity Lost Benefit Adjustment" will be made to the Solution's Whole System Cost and will be the NPV of the difference between the Total Forecast Income in each Contract Year and the Guaranteed Electricity Income in each Contract Year multiplied by the Contractor's Gain Share % for Electricity

Income up to the net revenue per MWh for each year set out in the table above.

- (d) Electricity Lost Benefit Adjustment = Contractor's Electricity Gain Share % * Net Present Value of (Total Forecast Income - Guaranteed Electricity Income in each Contract Year).
- (e) The Total Forecast Income from electricity for each Contract Year will be calculated by multiplying the number of guaranteed MWh that are deemed to be exported each year within the Base Case financial model by the net revenue per MWh for each year as set out in the table above.
- (f) The Guaranteed Electricity Income in each Contract Year will be taken from the Participant's Financial Model.
- (g) The Contractor's Gain Share for net Electricity Income will be as bid back by the Contractor.
- (h) The net revenue per MWh figures used are assumed to be net of all costs and benefits associated with the generation and distribution/transmission of the electricity.
- (i) For the avoidance of doubt the "Electricity Lost Benefit Adjustment" cannot be a negative figure and would be 0 if it is calculated as negative.
- (j) Due consideration will be taken of the Participant's positions regarding the offset of risk on third party income.

8.8.6 Cost of Delay Beyond Planned Service Commencement Date (1st April 2016)

- 8.8.6.1 The Partnership requires Participants to submit a Solution based on a Planned Service Commencement Date of 01 April 2016. Earlier Planned Service Commencement Dates will not be considered by the Partnership.
- 8.8.6.2 If Participants propose a Planned Service Commencement Date later than 01 April 2016 and do not propose any interim services (see [8.8.6.3] below), the Solution's Whole System Cost will be adjusted to include the Partnership's projected landfill disposal costs for each week between 01 April 2016 and the Solution's Planned Service Commencement Date. The number of weeks between the two dates will be rounded up to calculate this adjustment. The projected landfill disposal costs will be calculated using the landfill gate fee and landfill tax assumptions set out in Appendix 9 Financial Modelling Instructions. The weekly tonnage figures that will be used to calculate the projected landfill disposal

cost will be based on the projected Contract waste tonnage for that Contract Year divided by 52.

- 8.8.6.3 Participants are invited to propose any interim Solution on a value for money basis so that the Contractor accepts the Contract Waste from 01 April 2016 until the Facility's Planned Service Commencement Date. The cost of the interim services provided will be included in the Solution's Whole System Cost and the period over which the Whole System Cost will be evaluated will then end 25 years after the Participant's Planned Service Commencement Date. Where interim solutions are proposed they are to achieve as a minimum the Targets for Diversion of MSW, BMW and Recycling of Contract Waste as set out in the Authority's Requirements PR 3.1.

If any of the Participants propose a Planned Service Commencement Date beyond 1st of April 2016, then the time period over which all of the Solutions' Whole System Cost is evaluated will be extended to the Expiry Date of the Solution with the latest Expiry Date.

For those Solutions with an earlier Expiry Date, the cost of the Solution from its Expiry Date to the Expiry Date of the Solution with the latest Expiry Date will be assumed to be the Solution's agreed contract extension gate fees.

8.8.7 Price and Affordability

- 8.8.7.1 Having obtained the Whole System Cost for the Solution, this will be evaluated under the Level 3 sub criterion "Price and Affordability" which is split into the following two Level 4 sub criteria:

- (1a) Level 4 criterion 1 (L4.1) "Upper Affordability Threshold" - Weighting 50%. This criterion compares a Solution's Whole System Cost relative to the Upper Affordability Threshold NPV as per 8.8.8 below
- (2b) Level 4 criterion 2 (L4.2) "Lowest Tendered Price" - Weighting 50%. This criterion compares the Solution's Whole System Cost relative to the Lowest Tendered Price as per 8.8.9 below.

- 8.8.7.2 The scores out of 10 for these two Level 4 criteria will be weighted using the 50% weightings set out above to arrive at an overall score out of 10 for the Level 3 sub criterion.

- 8.8.7.3 As set out in the ITPD, from the ISDS stage onwards, the Partnership is expecting Participants to submit robust and detailed

pricing and cost information. Accordingly, it is using a different methodology for scoring of Price and Affordability to that used at the ISOS stage, whereby the Whole System Cost of each Solution is assessed and scored using a linear scoring mechanism. The linear scoring methodology for the 2 sub criteria are set out below:

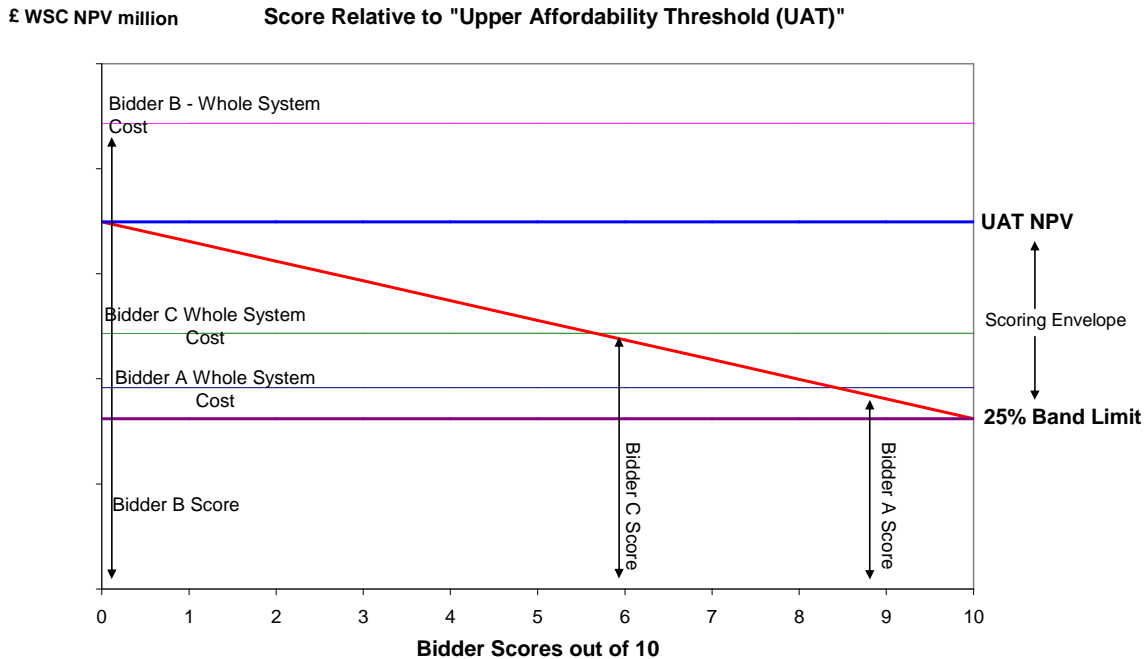
8.8.8 Level 4 Criterion (L4.1) - Comparison of Solution's Whole System Cost relative to the Upper Affordability Threshold NPV

8.8.8.1 The Upper Affordability Threshold NPV is £460million. Scores for the Whole System Cost impact of the Participants' solutions will be awarded on a linear basis as follows:

Whole System Cost £NPV million	Score
At or above £460m	0.0
Up to 24.9% below £460m	0.1-9.9
>=25.0% below £460m	10.0

Note: scores awarded will be to the nearest 1 decimal place on a linear basis. NPVs will be rounded to the nearest £0.1million.

8.8.8.2 The Linear Scoring System for this sub criteria is represented graphically in the figure below:



8.8.8.3 The Partnership's affordability position may change during the procurement due to a variety of factors; for example (but without limitation), budgetary factors and/or the general economic climate. Accordingly, at this stage it is not possible to accurately predict the Upper Affordability Threshold at ISFT and Participants will be advised in advance of the appropriate thresholds.

8.8.9 Level 4 Criterion (L4.2) - Comparison of Solution's Whole System Cost relative to the Lowest Tendered Price

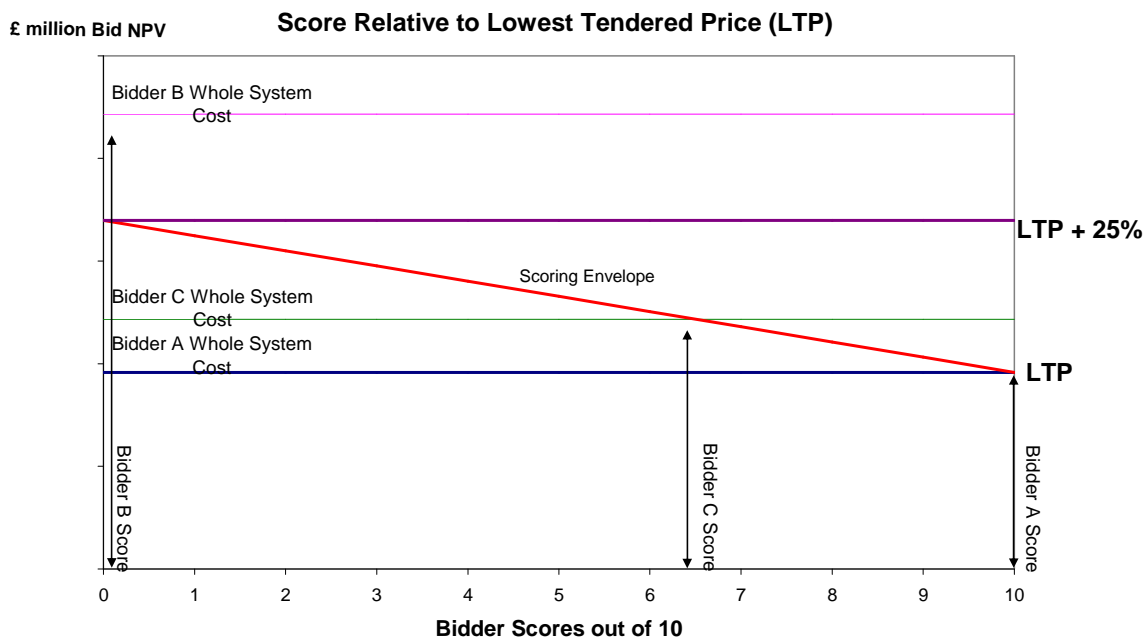
8.8.9.1 The Whole System Cost of the Solution with the lowest Whole System Cost will be the "Lowest Tendered Price" ("LTP").

8.8.9.2 The score for each Solution will be calculated on a linear basis by reference to The Lowest Tendered Price, which will be awarded the maximum 10 points.

Whole System Cost NPV	Score
"Lowest Tendered Price"	10.0
Up to 24.9% above the Lowest Price Tender	0.1-9.9
25.0% or greater than above the Lowest Price Tender	0.0

1Note: scores awarded will be to the nearest 1 decimal place on a linear basis. NPVs will be rounded to the nearest £0.1million

8.8.9.3 The Linear Scoring System for this sub criterion is represented graphically in the figure below:



8.8.10 Payment Profile

8.8.10.1 This Level 3 Criterion will assess the extent to which the Participant is able to deliver a profile of payments over the life of the contract which will not cause significant stepped increases in the Contract Payments year-on-year following the Service Commencement Date in real terms, and thus not potentially negatively impact on the Partnership's budgetary position.

8.8.10.2 This Criterion will also assess the Participant's Commissioning Period payment proposals and the extent to which the profile of payments over the Commissioning Period impacts negatively on the Partnership's budgetary position.

8.8.10.3 Whilst the Authorities recognise that there may be value for money benefits in the Participant proposing price indexation that more closely reflects their cost base, this evaluation Criterion will also assess the extent to which indices proposed by the Participant are likely to increase the payments year on year, and thus increase any budget gap.

8.8.10.4 If Participants propose to put forward interim service proposals as part of their Solution, the assessment will be focused on the profile of payments from Financial Close.

8.8.10.5 This criterion will be assessed by applying the Standard Scoring Methodology set out in the table below.

Table 8.6 - Scoring Framework for Payment Profile

Score	Term	Explanation
0	Unacceptable	Insufficient information to ascertain the payment profile.
1	Poor	A payment profile which is heavily spiked, has no rationale basis in relation to service delivery or cost, and is likely to increase the budget gap year on year.
2	Fair	A payment profile which is heavily spiked and is likely to materially increase the budget gap year on year, but for which a clear rationale is set out.
3	Satisfactory	A payment profile which does vary but reflects the service delivery proposals and contractor's cost profile, and where the indexation and/or banding proposals will have at worst a moderate effect on widening any budget gap.
4	Good	A payment profile which reflects the service delivery proposals and contractor's cost profile and the indexation and/or banding proposals will have at worst a small effect on widening any budget gap.
5	Very Good	A payment profile which reflects the service delivery proposals and contractor's cost profile and indexation and/or banding proposals are not likely to materially widen any budget gap.

8.8.11 Sensitivity Testing

8.8.11.1 This Level 3 Criterion will assess through sensitivities the extent of the potential of the Solution to cause significant Whole System Cost risk to the Partnership in respect of factors which the Partnership has little control over and for which it is likely to bear the risk.

8.8.11.2 The sensitivities that will be run will depend on the specifics of the Solutions and will be on different risks. Without limitation, these could include some or all of the following risks:

Sensitivity Analysis of Final Tenders

Stage	Sensitivity
Pre-Financial Close risks	Foreign exchange, underlying swap rates
Post-Financial Close risks	Landfill Tax, cost of market tested services, inflation of Unitary Charge, gain share payments

8.8.11.3 The evaluation will compare the assumptions behind the Participant's Solution with the assumptions developed by the Partnership for its Outline Business Case's Reference Project, in addition to relative assessments between bids. These comparisons will be used to assess the robustness of the assumptions adopted for the purposes of evaluating this sub-criteria.

8.8.11.4 For the avoidance of doubt the sensitivities run will not be limited to those that are set out above and those listed in the Sensitivity Pro-forma incorporated within Appendix 5 – ISFT Financial Bid Forms.

8.8.11.5 This criterion will be assessed by applying the Standard Scoring Methodology set out in the table below:

Table 8.7 - Scoring Framework for Sensitivity Testing

Score	Term	Explanation
0	Unacceptable	Insufficient information to ascertain the impact of sensitivities.
1	Poor	The Partnership retain cost risks up to and/or post financial close which are both likely to occur and cause significant increase to the Whole System Cost of the Partnership.
2	Fair	The Partnership retain cost risks up to and/or post financial close which are likely to occur and cause material increase to the Whole System Cost of the Partnership.
3	Satisfactory	The Partnership retain cost risks up to and/or post financial close which either may occur and/or cause moderate increase to the Whole System Cost of the Partnership.
4	Good	The Partnership retain cost risks up to and/or post financial close which either are unlikely to occur and/or cause small increase to the Whole System Cost of the Partnership.
5	Very Good	The Partnership retain cost risks up to and/or post financial close which are both unlikely to occur and will only cause immaterial increase to the Whole System Cost of the Partnership.

8.8.12 Financial Robustness

8.8.12.1 This Level 2 Criterion assesses the robustness of the financial modelling, pricing approach, and the reasonableness of the underlying cost, income, wasteflow and financial assumptions.

8.8.12.2 This will be a qualitative assessment of:

- The extent to which the financial submission complies with the relevant financial submission instructions;
- The completeness, quality and integrity of financial information;
- The credibility/robustness of the financial inputs and outputs and the extent to which these are reflective of waste PPP projects in general, and also reflective of the Participants' technical/commercial/legal submission. Critically, the evaluation will focus on the evidence provided by

Participants of the level of engagement they have had with their supply chain in producing the submission (such as quotes, Heads of Terms, agreed contractual terms) and how these substantiate their bid assumptions;

- the appropriate costing of any warranties, bonds, guarantees, letters of credit and other security requirements is included in the model and that the amounts budgeted for are appropriate;
- the appropriateness of the level of cash throughout the contract period;
- the appropriateness of the level of distributable reserves throughout the contract period;
- rates and margins; debt service cover ratios are consistent with the Term Sheet submitted;
- robustness of Insurance assumptions;
- robustness of Tax and VAT assumptions; and
- robustness of site related cost assumptions.
- the level of engagement with the supply chain in producing the submission and the supporting evidence provided
- the adequacy and appropriateness of capex, opex and life cycle cost assumptions
- the adequacy and appropriateness of all income assumptions

8.8.12.3 This Criterion will be evaluated by applying the Standard Scoring Methodology as set out in the table below.

Table 8.8 - Scoring Framework for Financial Robustness

Score	Term	Explanation
0	Unacceptable	Insufficient information to ascertain the robustness of the financial information including if appropriate to the stage financial modelling, pricing structure, and reasonableness of underlying costs and income assumptions.
1	Poor	The financial information gives very minimal comfort on the robustness of the financial offering, the evidence indicates that the Participant's cost, income and other assumptions are not reliable/credible or incomplete, and the pricing approach is neither credible or reflects the service being provided.
2	Fair	The financial information gives some concern over the robustness of the financial offering, the evidence indicates that some of the Participant's cost, income and other assumptions are not reliable/credible, and there are concerns over some areas of the pricing approach.
3	Satisfactory	The financial information gives minor concern over the robustness of the financial offering. The evidence indicates that on the whole the Participant's cost, income and other assumptions are reasonable and should not materially change, and/or there are minor concerns over some areas of the pricing approach.
4	Good	The financial information appears materially robust. The evidence indicates that the Participant's cost, income and other assumptions are on the whole reasonable, bespoke to this Project and should not materially change, and the pricing structure on the whole appropriately reflects the service to be provided.
5	Very Good	The financial information appears robust. The evidence indicates that there is strong evidence of firm costs, income and other assumptions, and the pricing structure fully reflects the service to be provided.

8.8.13 Deliverability of Funding Package

8.8.13.1 Account will be taken of the level of commitment of funders to the funding package proposed. Any pre-conditions in the funding arrangements will be assessed, as will any proposals for refinancing during the Contract Period. In particular, financing structures will be evaluated by assessing the following to the extent that they are applicable at the relevant stage of the Competitive Dialogue Procedure:

- Proposed funding package and interaction with the contract delivery vehicle;
- The extent to which funders are in place and/or a demonstration of a robust process to source funders and experience of doing this;
- The impact of the funding proposals/proposals for sourcing funding arising from the Credit Crunch;
- Debt/equity split;
- Extent of Parent Company/other guarantees proposed;
- Strength of commitments offered by debt/equity finance providers;
- The extent to which financial and technical assumptions such as the approach to pricing, payment mechanism terms, levels of third party income are bankable. The evaluation of this point will be based upon the response to different financial sections;
- Demonstrate the availability of funds including the source of such funds reflecting other potential commitments; and
- Overall the Partnership will be looking for a process to source funding that is deliverable under current market conditions and which is based on funding the Participant's solution for the project which will follow current WG guidance for PPP Waste projects.

8.8.13.2 This sub-criterion will be evaluated on the extent to which the submission demonstrates relevant evidence as set out in the table below.

Table 8.9 - Scoring Framework for Deliverability of Funding Package

Score	Term	Explanation
0	Unacceptable	Insufficient information provided and/or undeliverable funding package. Overall unacceptable proposals put forward by the Participant.
1	Poor	Generic/unclear statements regarding funding with no certainty regarding the deliverability of the funding. Overall a proposal which is likely to jeopardize the delivery of the Project and/or place significant risk on the Partnership.
2	Fair	Evidence regarding deliverability of funding gives concern. Overall a position which has moderate potential to jeopardise the delivery of the Project and/or place risk on the Partnership.
3	Satisfactory	Sufficient evidence has been provided regarding deliverability of the proposed funding package. Overall a position which provides reasonable comfort and certainty to the Partnership and reduces risk to the Partnership.
4	Good	Strong evidence provided of a deliverable funding package with evidence of commitment from specific funders. Overall a position which provides a good degree of comfort and certainty to the Partnership and largely minimizes any undue exposure to the Partnership.
5	Very Good	A comprehensive and detailed funding package identified and strong evidence of commitment from the funders Overall a position which provides a very high degree of comfort and certainty to the Partnership and minimizes any undue exposure to the Partnership.

8.8.14 Acceptance of Payment Mechanism

8.8.14.1 The evaluation will take the form of a qualitative assessment of the extent to which the Participant accepts, or is able to offer value for money alternative positions to the Partnership's payment mechanism as demonstrated by the bid back items and comments in the Appendix 5 Financial Bid Forms "Payment Mechanism Pro-forma", and supported by a mark-up of the Payment Mechanism

and a commentary table (as set out in Appendix 3 of this ISFT) explaining the rationale for the Participant's and their funder(s) mark up of the Payment Mechanism.

8.8.14.2 The Payment Mechanism for this Project will be based upon the Waste Infrastructure Delivery Programme ("WIDP") Procurement Pack Module 4 Part II Payment Mechanism, as amended by WG/DESH, which has been amended to suit the specific requirements of the Partnership. It is anticipated that amendments to this document will be minimal reflecting drafting issues only, which do not significantly change the substance of risk transfer.

8.8.14.3 This Level 2 Criterion will be evaluated on the extent to which the submission demonstrates relevant evidence as set out in the table below:

Table 8.10 - Scoring Framework for Acceptance of Payment Mechanism

Score	Term	Explanation
0	Unacceptable	Does not meet the Partnership's requirements in respect of the payment mechanism and/or there is a position being proposed on the basis of which the Partnership would not be willing to contract and/or no or insufficient information provided.
1	Poor	The Participant does not accept or does not clearly accept the Payment Mechanism and/or proposes a number of significant amendments, which are unacceptable to the Partnership (e.g. on Value for Money or risk grounds).
2	Fair	The Participant accepts the overarching principles of the Payment Mechanism but proposes a number of amendments, as evidenced by a mark-up and associated commentary, which either are unacceptable to the Partnership (e.g. against the core principles) or do not demonstrate Value for Money and may expose the Partnership to greater risk.
3	Satisfactory	<p>The Participant clearly accepts the Payment Mechanism but proposes a number of amendments, the majority of which are considered acceptable to the Partnership (e.g. on Value for Money grounds) and the remainder are considered surmountable and therefore exposes the Partnership to some (but not significant) risk.</p> <p>The Participant has provided some commentary on the Payment Mechanism and evidence of a thorough review of the Payment Mechanism.</p>
4	Good	<p>The Participant either fully accepts the Payment Mechanism or, where amendments are proposed those amendments are considered acceptable to the Partnership on Value for Money grounds.</p> <p>The mark-up of the Payment Mechanism response demonstrates evidence of a thorough review, and provides positive commentary that might allow early resolution of issues associated with the mechanism.</p> <p>The Participant has provided some positive commentary around calibration of the Payment Mechanism and evidence of a thorough review of the mechanics of the Payment Mechanism.</p>

5	Very Good	<p>The Participant fully accepts the Payment Mechanism and only proposes amendments that are considered to be significantly beneficial to the Partnership on Value for Money grounds.</p> <p>The mark-up of the Payment Mechanism response demonstrates evidence of a thorough review, and provides positive commentary that might allow early resolution of issues associated with the mechanism.</p> <p>The Participant has provided some positive commentary around calibration of the Payment Mechanism and evidence of a thorough review of the mechanics of the Payment Mechanism.</p>
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8.9 Detailed Assessment – ISFT stage – Further Information – Legal

8.9.1. The Partnership will be reviewing Participant's responses to the legal/contractual submission requirements set out in section 7 (Legal and Contractual Requirements) of this ISFT. The Participants are reminded that any derogation from the Partnership's stated position on risk allocation and commercial terms shall be considered at the Partnership's absolute discretion (except as set out in section 7.4.2). Any derogation shall be negatively scored unless and to the extent such derogations are supported by project specific and/or value for money justification. Such derogations shall also be assessed relative to the position on risk allocation and commercial terms proposed by the other Solution. Please note that any reference to the Project Agreement in this section shall include references to all the Schedules set out in section 7 (Legal and Contractual Requirements).

8.9.2 Prior to submission of the Draft Final Tender

- (a) During dialogue and prior to submission of the Draft Final Tender, the Partnership intends to ask for further iterations of the Project Agreement, Schedules and commentary tables to develop and agree the outstanding points identified in section 7.4.2 of this ISFT.
- (b) For the avoidance of doubt, these iterations will not be evaluated or scored. Any acceptance by the Partnership of any derogations/commercial positions proposed by the Participant does not provide any indication of the evaluation score to be awarded – rather, it simply confirms that the Partnership is, in principle, prepared to contract with the Participant on those terms (subject, of course, to satisfactory closure of dialogue and compliance with the Partnership's governance arrangements (including all necessary Partnership approvals)).
- (c) Participants will be formally notified during dialogue prior to the submission of the Draft Final Tenders if and to the extent the Partnership considers it has failed to reach an acceptable position on any key risk allocation ("Unacceptable Risk Allocation Positions"). Furthermore, following submission of the Draft Final Tenders should any such positions arise then these will also be notified. The Partnership will put the Participant on notice that any Unacceptable Risk Allocation Positions are positions upon which the Partnership cannot and will not contract.
- (d) Should a Participant submit a Draft Final Tender/Final Tender which includes any Unacceptable Risk Allocation Positions, the

Draft Final Tender/Final Tender will be treated as non-compliant and therefore rejected for failing to meet the Partnership's submission requirements. In such circumstances Participants will be disqualified from taking any further part in this procurement process.

(e) The Partnership reserves the right to review and, if appropriate, notify Participants of any Unacceptable Risk Allocation Positions if, and to the extent, unacceptable positions emerge during dialogue or form part of Participant's Draft Final Tender/Final Tender submission. In the case of the latter, this includes where such positions have not previously, in the course of dialogue, been either:

- (i) raised by Participant; and/or
- (ii) confirmed by the Partnership as acceptable risk allocation positions upon which the Partnership would be prepared to contract.

8.9.3 Each Legal Level 2 Criteria set out in Table 8.1 (section 8.4) above will be scored out of 10 in accordance with the scoring framework set out below. Where the scoring is 0-10, a score of 10 is equal to 100% of the marks available.

8.9.4 For the avoidance of doubt, a score out of 10 will be awarded for each of the following Sub-Criteria:-

- Risk Allocation & Commercial Terms;
- Contractual Structure; and
- Approach towards Key Project Risks.

Table 8.11 - Scoring of Legal Evaluation Criteria

Score	Term	Explanation
0	Unacceptable	Insufficient or no response received. Overall contractual position of the Participant is entirely unacceptable to the Partnership due to the number and seriousness of deviations from the Partnership's position on risk allocation. The Partnership would not be willing to contract on this basis.
2	Poor	The information submitted does not demonstrate: (i) an acceptance of the Partnership's proposed risk allocation and commercial terms; or (ii) a deliverable contractual structure; or (iii) any evidence of the identification of key project risks and/or value for money proposals (or, in each case, equivalent). The Partnership has serious concerns about contracting with the Participant on this basis.
4	Fair	The information submitted contains assumptions or deviations that demonstrate only limited: (i) acceptance of the Partnership's proposed risk allocation and commercial terms and limited or no reasoning/identification of benefits to support derogations; or (ii) evidence of a deliverable contractual structure (supported by a market standard security package); or (iii) evidence of the identification of key project risks and/or value for money proposals (or, in each case, equivalent).
7	Satisfactory	The submission confirms: (i) an acceptance of the Partnership's proposed risk allocation and commercial terms and reasoning/identification of benefits provided to support derogations; or (ii) a deliverable contractual structure (supported by a market standard security package); or (iii) satisfactory evidence of the identification of key project risks and/or value for money proposals (or, in each case, equivalent).
9	Very Good	The submission confirms (i) an acceptance of the Partnership's proposed risk allocation and commercial terms and persuasive reasoning/identification of benefits provided to support derogations backed up with market precedent; or (ii) a deliverable contractual structure (supported by a robust security package); or (iii) a good appreciation of key project risks and means by which such risks may be mitigated for the benefit of the Project (or, in each case, equivalent).

Score	Term	Explanation
10	Outstanding	The submission provides (i) an enhanced risk allocation and commercial terms in favour of the Partnership and persuasive reasoning/identification of benefits provided to support derogations backed up with market precedent; or (ii) a deliverable contractual structure (supported by a comprehensive security package without any limitation); or (iii) an excellent appreciation of key project risks and means by which such risks may be mitigated for the benefit of the Project (or, in each case, equivalent).