

# Questions and Answers

## Background and OJEU Notice

***Q: Does Prosiect Gwyrdd have a preferred option?***

No, the procurement for this project was advertised as technology neutral and the Pre Qualification Questionnaire analysed interested companies on their previous experience and not on any technology solution.

All bids are assessed against agreed criteria for the competitive dialogue process which were approved by the Joint Committee on 10<sup>th</sup> March 2010.

***Q: Why is the procurement process confidential?***

The Project has to operate in line with procurement legislation, as and when each procurement stage is complete, the marking scheme will be published on [www.prosiectgwyrdd.co.uk](http://www.prosiectgwyrdd.co.uk) so that stakeholders and the public can see how the companies have been assessed. Specific information on these bids will not be released to the public, even if they have left the procurement process. Specific questions on bidders' submissions should be taken up directly with the company that submitted the proposal.

***Q: Why was Energy from Waste chosen as the technology for the Outline Business Case?***

The Project had to produce an Outline Business Case (OBC) for financial benchmarking to check whether the Project was affordable. The Outline Business Case was submitted to the Welsh Government to bid for funding. A technology had to be chosen and a WRATE assessment was carried out at the time of the OBC and Energy from Waste was chosen as the reference technology. This did not mean this was the chosen technology, it was deemed as the best option, at the time that the OBC was written.

***Q: What is a WRATE assessment?***

WRATE stands for 'Waste and Resources Assessment Tool for the Environment'. The assessment compares the environmental impacts of different municipal waste management systems. WRATE uses life cycle assessments to include the resources used, waste transportation and operation of a whole range of waste management processes with their environmental costs and benefits.

***Q: What will stop local authorities sending all their waste for treatment?***

Each local authority has been set challenging recycling and composting targets by the Welsh Government (WG) which are now set in law and it remains each of the partners' priority to meet these targets. Prosiect Gwyrdd will deliver the infrastructure to treat the remaining 30-35% of waste, after recycling and composting has been maximised in each area. The funding from WG for this project does have strict criteria associated with the terms and conditions which include a cap on the amount of waste that can be sent for residual waste treatment.

***Q: The WG recycling and composting target for 2025 is 70% which will mean that 30% will remain for treatment. Why is Prosiect Gwyrdd stating that 30% to 35% will be sent for treatment?***

Each of the partners is striving to meet the challenging recycling and composting targets set by the Welsh Government with at least 70% combined recycling and composting. Further material can also be recovered for recycling through residual waste treatment technologies, which will contribute to the 70%. Due to this Prosiect Gwyrdd has estimated that 30% to 35% of waste will remain for treatment, with at least a further 5% recycling delivered through the residual waste treatment facility.

## **Pre Qualification Questionnaire (PQQ)**

***Q: Are we pleased with the variety of different companies that are interested in this contract?***

Thirty six companies downloaded the PQQ with fourteen submitting their questionnaire to the partnership. Five 'Outline Solutions' were received following the Invitation to Participate in Dialogue (ITPD) five solutions were evaluated at the 'Outline Solution' stage and four solutions were invited to submit 'detailed solutions'. Two companies submitted a 'detail solution' and both bids are strong and credible.

***Q: Why didn't companies that were offering alternate technologies not shortlisted for the Project?***

The PQQ stage does not evaluate technology. It is a backward looking process to evaluate whether the companies have demonstrated their ability to deliver a Project of this scale and complexity. The majority of the companies that passed the PQQ stage demonstrated an ability to deliver a range of residual waste technologies.

***Q: Sterecycle, a known autoclave company with planning permission on a site in Cardiff bid for the contract and they were not shortlisted, why?***

Sterecycle did bid for the contract, but they did not score high enough to be shortlisted at the PQQ stage. The Project isn't in a position to release details on the reasons why, but the company has been fully de-briefed and this detail is available from them. In relation to the planning, this stage does not evaluate planning status either. At PQQ, the Project hasn't received any bids, the assessment is backward looking, assessing whether they have demonstrated experience of technical ability, evaluating their financial standing and whether they have demonstrated experience of operating projects such as ours.

## **Invitation to Submit Outline Solutions (ISOS)**

***Q: What criteria were evaluated at the 'Outline Solution' stage?***

Specific emphasis was on technical assessment, service delivery and deliverability and integrity of proposed solutions.

**Q: What technologies were offered at the Outline Solution Stage?**

The only technology that was offered to the Project was modern energy from waste systems with the ability to offset heat.

**Q: Why wasn't MBT offered by the market?**

Each of the partner authorities has developed waste strategies to divert as much waste as possible from landfill. Each of the partners is developing recycling and composting facilities, so that significant front end recycling can take place.

Plastics, metals, paper and glass will be diverted for reuse from the kerbside. Local authorities are also procuring a service for organic waste, with food and green garden waste being sent for treatment either through in vessel Composting or Anaerobic Digestion.

For the remaining waste, modern highly efficient energy from waste systems have been proposed. Local authorities are committed to divert clean front end recycling and composting reducing the need for mechanical and biological extraction from the residual waste.

**Q: There have been claims that Prosiect Gwyrdd favours incineration. Is this the case?**

No. The documentation doesn't favour any technology solution. There wasn't anything stopping any waste company from bidding for the contract. The contract was advertised to the global market.

## **Invitation to Submit Detailed Solutions (ISDS)**

**Q: What criteria were evaluated at the detailed stage?**

At the detailed stage significant emphasis is on the technical aspects of the proposal, as well as financial and legal criteria.

**Q: The Project issued the ISDS documentation to four companies but only two were evaluated. Why?**

WRG left the process on March 29 2011, as they did not believe that they were in a position to submit a bid to their high standards. The Project dialogued with three companies, Covanta, Veolia and Viridor. The Competitive Dialogue process is an opportunity for the Project to negotiate with the companies, to ensure that their bids are mature and deliverable. Covanta withdrew from the process on October 24, 2011. The two remaining bids are strong and deliverable and the Project looks forward to further dialogue in the New Year before their final submissions are given.

**Q: So the Project believes that the process is still competitive?**

The procurement is very competitive and the Project is pleased to confirm that the two bids, which have passed the necessary requirements of the evaluation, are strong and credible

**Q: Who is the front runner?**

The Project will not release this level of detail into the public domain, though detailed feedback is given to both bidders, to ensure that future negotiations are productive, as we move forward to evaluating their final submissions.

## **Invitation to Submit Final Tenders (ISFT)**

### **Q: When will the bidders submit their Final Tenders?**

The Project will continue to negotiate with the bidders through 'Competitive Dialogue' and will only close these negotiations when we are content with the bids best meet our requirements. When the dialogue closes, Final Tenders will be requested and it is anticipated these will be received spring 2012.

### **Q: How long will it take until a preferred bidder is selected?**

Under the current procurement timeline, the preferred bidder is expected to be announced in autumn 2012.

## **Contract with the Preferred Bidder**

### **Q: How long will the contract be?**

The contract with the preferred bidder is expected to be for 25 years, with a possible 5 year extension.

### **Q: Does a 25 year contract restrict flexibility?**

The preferred bidder will have to supply a facility that is in accordance with the Project's output specification, stating the authority's requirements, and then operate to a strict Project Agreement (contract) that will incorporate mechanisms for dealing with any change in regulation. The construction and commissioning period will be at least three years and a long term contract of this kind is the most cost effective option. The solutions will be required to treat waste of varying composition and quantity throughout the contract term.

## **Communications**

### **Q: How can the public contact the partnership?**

All up to date information will be published on [www.prosiectgwyrdd.co.uk](http://www.prosiectgwyrdd.co.uk) and the partnership can be contacted via phone or email. We ask the public to email [info@prosiectgwyrdd.co.uk](mailto:info@prosiectgwyrdd.co.uk) or phone 02920 717523.

### **Q: How will the public be informed about the decisions?**

The Project has been communicating with the public since the Project was advertised in 2009. Over 40 public events have taken place since the project was advertised in 2009 and the Project will continue to engage until a Preferred Bidder is identified and beyond. The Project will be holding public event in the New Year to support both bids, and obviously public events will take place to support the Preferred Bidder announcement.

## Regulation of municipal waste incinerators

### ***Q: Has there been research carried out assessing a variety of waste treatment technologies and their effects on health?***

Yes the comparative impacts on health on different methods of waste disposal have been considered in detail in a report prepared for the Department of Environment, Food and Rural Affairs (Defra 2004). A summary of this extensive research can be reviewed through the following link:

<http://archive.defra.gov.uk/environment/waste/statistics/documents/health-report.pdf>

This research, 'The Review of the Environmental and Health Effects of Waste Management Municipal Solid Waste and Similar Wastes', 'considered 23 high quality studies of the patterns of disease around EFW plants and four peer review papers looking at the health effects of EFW plants. It concluded that there is no convincing link between EFW plants and adverse effects on public health.

### ***Q: Who regulates Energy from Waste facilities?***

The Environment Agency regulates all Energy from Waste facilities larger than 1 tonne an hour (non hazardous waste and all hazardous waste incinerators) All waste facilities, including incineration are regulated to prevent or minimise any risks to the environment or health.

These facilities are subject to the EU Integrated Pollution Control (IPPC) regime which aims to prevent, reduce or eliminate pollution at source. For all information on regulation by the Environment Agency, visit: [http://www.environment-agency.gov.uk/static/documents/Business/3\\_wip\\_regulation\\_2147973.pdf](http://www.environment-agency.gov.uk/static/documents/Business/3_wip_regulation_2147973.pdf)

### ***Q: What is the Waste Incineration Directive?***

All waste processes which involve burning have to comply with the Waste Incineration Directive (WID). This law sets stringent controls on emissions of all types of Energy from Waste technologies, including Pyrolysis, Gasification and Energy from Waste with Combined Heat and Power (Incineration). These technologies are required to monitor emissions to ensure that they comply, as a minimum, with the limits in the EU Waste Incineration Directive (2000/76/EC) which sets strict emissions controls for pollutants. The Directive has been implemented in England and Wales by the Environmental Permitting (EP) (England and Wales) Regulations 2007. From April 2008 these replaced the Pollution Prevention and Control (PPC) (England and Wales) Regulations 2000. The guidance on this legislation can be viewed through the following link: <http://www.defra.gov.uk/environment/quality/industrial/eu-international/wid/>

### ***Q: So Prosiect Gwyrdd relies on the regulator? And doesn't control the facility?***

The regulator is responsible to ensure that the operator complies with their environmental permit and all relevant legislation. The Project does have control over the contract through the Performance Measurement Framework (PMF) and the Payment Mechanism (PM)

The PMF enables the Authority to manage the performance of the day to day requirements of the contract and the PM determines how much the contractor should be paid for the services.

***Q: How do I get specific questions and answers on Energy from Waste facilities?***

The Environment Agency has an extensive questions and answers briefing sheet on Energy from Waste. To access these questions and answers, visit:

[http://www.environment-agency.gov.uk/static/documents/Business/Information\\_Pack\\_-\\_QA\\_\(2\).pdf](http://www.environment-agency.gov.uk/static/documents/Business/Information_Pack_-_QA_(2).pdf)

***Q: Historically, there has been concern that energy from waste facilities are damaging to human health, is this true?***

The Health Protection Agency has published two reports in September 2009 and February 2010, addressing the concerns that have been raised. The report can be accessed through the following link,

<http://www.caerphilly.gov.uk/prosiectgwyrdd/pdfs/RCE-13%20for%20web%20with%20security.pdf>