

**Case Study:
Review of a
Waste Recycling Services Contract**

March 2010

ZERO WASTE SCOTLAND



**natural
scotland**
SCOTTISH GOVERNMENT

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For Zero Waste Scotland

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Zero Waste Scotland was established in January 2010 to provide a single, Scotland-focussed delivery programme, driven by and aligned to deliver the Zero Waste Plan. The new programme integrates the activities of the following programmes: Waste Aware Scotland; Envirowise Scotland; Remade Scotland; Keep Scotland Beautiful; NISP; and some programmes of the Community Recycling Network for Scotland.

The Caledonian Environment Centre is part of the School of the Built and Natural Environment, Glasgow Caledonian University and is supporting environmental research and policy development in Scotland.

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1.	Introduction	1
1.1.	Project Flowmap	1
2.	Case Study Participation	2
3.	Management of Risk	3
3.1.	Establishing Risk	3
3.2.	Risk Management Options	4
4.	Determining Contract Objectives	6
4.1.	Identification of Issues and Risks	6
5.	Existing Relevant Contract Clauses	8
6.	Amended Clauses Suggested	14
7.	Clauses Meeting Needs of Objectives.....	20
7.1.	Minimum Recycling Rate of 90%.....	20
7.2.	Fixed Gate Fee	21
7.3.	Sustainable Sale of Recyclate	23
8.	New Contract Items Required	24
8.1.	Modified Appendix.....	24
8.2.	Contractors Monthly Return Form.....	25
9.	Critical Review Conclusions	26

1. Introduction

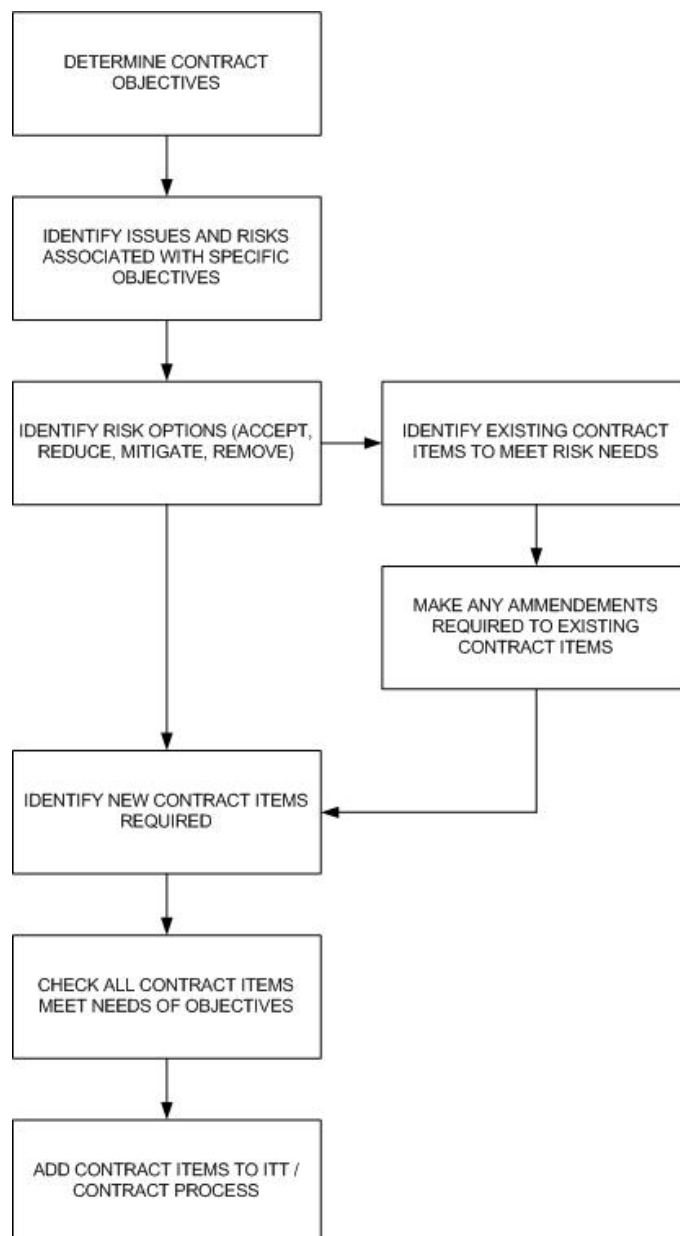
This critical review case study is undertaken by Zero Waste Scotland to explore and identify the provision of a risk based procedure to ensure that the objectives of recycling contracts are reflected in tender documentation and specific contract clauses.

The methodology for the execution of this work is detailed below.

1.1. Project Flowmap

Figure 1 - Project

Flowmap



2. Case Study Participation

Participation in this case study came from two Local Authorities that were in the process of reviewing their contract specifications for dry recycling provision. The specific objectives of the two participants are reflected in this single case study, as are the outcomes of the processes that each participant was involved in.

The specific details of these two participants have been combined to give an account of a single participant, Council A.

3. Management of Risk

Risk management in waste management is often a case of trying to identify, evaluate, assess and prioritise risks that are a threat to meeting specific objectives. Risk is, in itself, the positive or negative effect of uncertainty on objectives. By minimising the level of uncertainty present in a waste management context, Local Authorities can ensure that contracts have a greater predictability in meeting their needs.

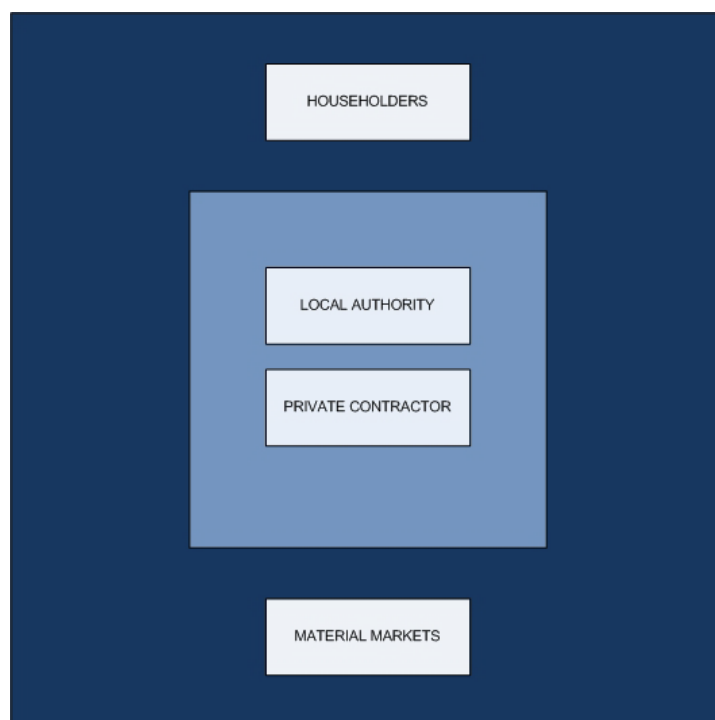
3.1. Establishing Risk

Identification of risk is the most important part of any risk management process, and one that will include a number of stakeholders when applied to the waste management context. The scope of relationships and transactions in the waste management sector means that understanding each participant's role in the risk framework is critical.

Source analysis is a method of interpreting where each participant operates in relation to risk management. For example, in a contract between a Local Authority and a private waste management company there will be more than just these two participants that would be subject to risk management, because each of these *internal* participants will be influenced by additional *external* participants.

For example, in figure 2 we show an internal set of participants, the Local Authority and the private contractor. But in the waste management context, both of these participant's activities within the contract will be influenced by external participants, the householder and the material market.

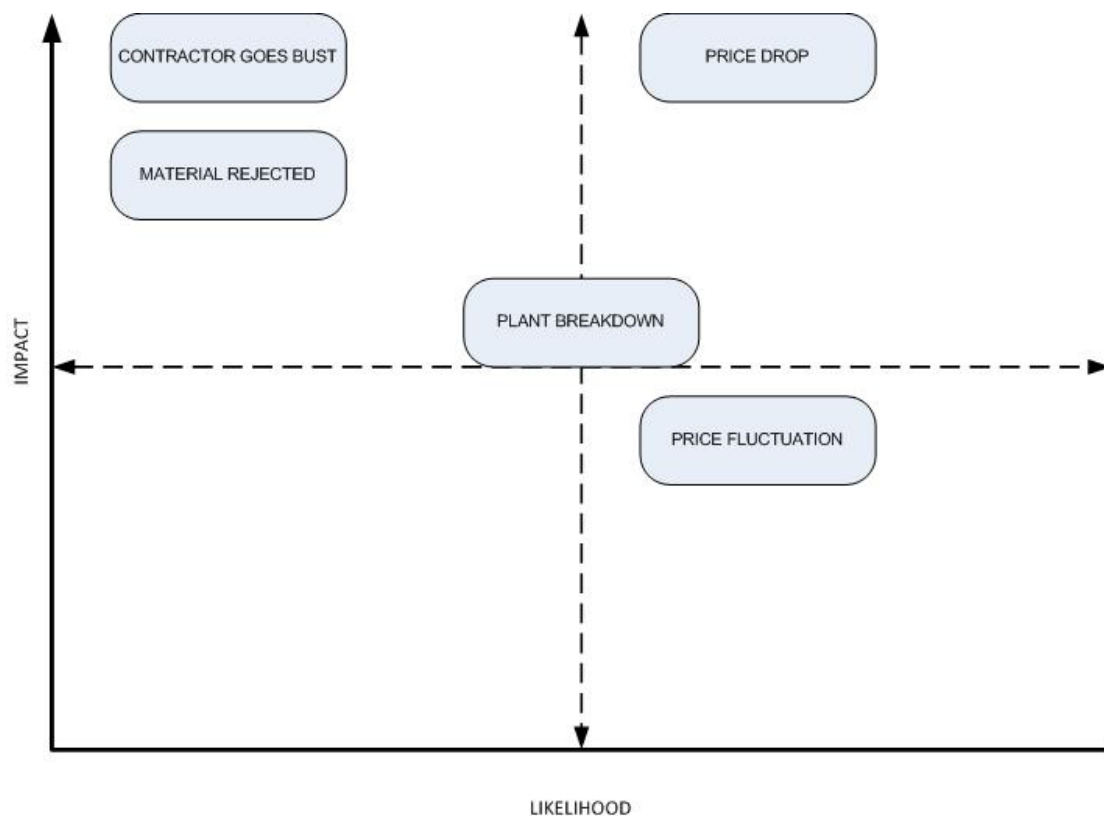
Figure 2 - Source Analysis of Risk Participants



Now that the sources of risk are recognized, the next stage is to establish what the problems may be, and their probability of occurrence. For example, a problem may be that no householders participate in the recycling scheme, and no tonnage is forthcoming for treatment although the probability of this is negligible. Identifying problems and the probability of them occurring can be a lengthy and information heavy process, but its importance in risk management should not be underestimated.

Methods for plotting risk in terms of problems, probability and identification of severity can take many forms, although it proved useful for this to be displayed visually in our workshops, as shown in figure 3.

Figure 3 - Visual Plotting of Risks and Probability



3.2. Risk Management Options

The options for managing identified risks fall broadly into four main categories:

1. Elimination of the risk
2. Mitigation of the risk
3. Transfer of the risk

4. Acceptance of the risk

In all cases it should be noted that this is a process of trade-offs, and that the options taken will have an effect on the acceptability of contract conditions and price offered due to the level of risk being accepted by each internal party in the face of both internal and external uncertainty. To understand each option let us take the scenario that a Local Authority is letting a contract to a MRF operator, where the MRF operator would like a minimum tonnage. The Local Authority may identify a risk, where the source is the householder not presenting enough recycle to meet the minimum tonnage.

Table 1 - Risk Management Options and Issues

Option	Activity	Issues
Elimination	Do not accept minimum tonnage criteria	Likelihood of increased price offered by MRF operator
Mitigation	Improve awareness campaigns and door to door effectiveness	Increased cost overall to the council
Transfer	Partner with another Local Authority to deliver tonnage	Differences in collection methods may make this an issue
Acceptance	Accept that householders will present enough tonnage	It is likely that contracts will be let on historical data, contracts shouldn't exceed historical performance

In this instance it would be sensible for the Local Authority to accept the risk based on some historical data or other analysis. This process should be undertaken for all identified risks in order to provide a framework of what risk a Local Authority is willing to accept, and what the overall transfer of risk may be to a contractor. The influence of risk on prices offered should not be underestimated, but a framework such as this can illustrate what the “price of risk transfer” includes.

4. Determining Contract Objectives

Following a workshop meeting with Council A's Waste Management team and their Procurement Manager – three key objectives were set for the development of a new comingled dry recyclate contract.

Table 2 - Defining Contract Objectives

	Objective	Reason
1	Obtain a minimum recycling level of 90%	Diversion of tonnage is the main priority of the Council. This minimum level was considered to be realistic and achievable based on management data from previous contract requirements.
2	Fixed rate gate fee	Further future fluctuations in gate fees are not acceptable to the Council. The Council are prepared to contract at a higher fee than previously – although this must be stable and sustainable for long term planning.
3	Give preference to those that can demonstrate sale of recyclate to most stable/secure market	Previous experience has shown that continuous sale of recyclate is critical element in maintaining a stable gate fee. The Council would like to ensure that contractors are sorting recyclate as saleable commodities to stable markets to ensure stability of gate fees and maintenance of recycling rates.

4.1. Identification of Issues and Risks

Following the determination of contract objectives, further discussion and analysis identified some key issues and risks associated with achievement of those objectives. These issues and risks were appraised and a course of action was identified for each.

It was not possible in the time frame for this case study to look at these issues and risks in a full risk matrix format – but a risk option was required in order to develop contract items and clauses. It would have been our intention – were more time available – to cross refer our activities on clauses to the work on contract clauses undertaken by WRAP in 2007/2008. We would anticipate this as being an element of any future similar works.

Table 3 - Identification of Risk and Management Options

Objective	Issues/Risks Associated	Risk Option
Minimum recycling rate of 90%	Input composition is unknown	Transfer
	Dependant on materials markets	Transfer
	Delivery of minimum tonnage	Accept
	Linked to plant and process losses	Transfer / Mitigate
Fixed Gate Fee	Variation	Remove
	Linked to price gained for materials	Transfer
	Delivery of minimum tonnage	Accept
Sale of recycle	Ensuring sale to “stable” market	Transfer
	Demonstrating preference for production of high value saleable commodities	Identify in tender process

5. Existing Relevant Contract Clauses

After identifying the risk options a review of the existing relevant contract items and clauses was undertaken to ascertain if existing text was adequate to indemnify the Council for its new contract objectives.

The existing relevant clauses were analysed to ascertain the main objective of the text and it was noted whether the clause required amendment for the new contract.

Table 4 - Examination of Existing Relevant Contract Clauses

Number	Clause	Objective of Clause	Amendment Required
2.1	This contract seeks to identify one or more partners with the capability to accept un-segregated materials and sort them for recycling.	Definition of service	Y
2.6	Once deposited the waste comes under the ownership of the Contractor who shall meet all subsequent sorting, reprocessing or disposal costs.	Material ownership Duty of Care	Y
3.5	The contract will run from x to y 2009. There will be a fixed gate fee of £z per tonne. Thereafter, there will be an option to extend on a month to month basis at the fixed gate fee of £z per tonne if both parties agree.	Term of contract Gate fee	Y
3.8	For the duration of the contract the contractor will undertake to accept up to x tonnes of blue bin waste materials every month. The Authority will undertake to deliver a minimum of y tonnes of blue bin waste every month.	Minimum tonnages Maximum tonnages	N
3.10	The Contractor will have the ability to accept all of the following materials as a minimum. <ul style="list-style-type: none"> Steel and aluminium food 	Specification	Y

	<p>and drinks cans, and aerosols and foil</p> <ul style="list-style-type: none"> • Card and Cardboard • "Tetrapak" type containers, food and beverage cartons • Textiles • Plastic bottles • Paper- newspaper, magazines, brochures, catalogues, unwanted mail, telephone directories • Any contamination/ contrary material contained within the blue bin waste presented to the Authority for collection 		
3.11	<p>The Contractor will accept all deliveries and sort and segregate the materials delivered as specified to a minimum 90% recycling rate. This recycling rate will be maintained for the duration of the contract.</p>	<p>Specification</p> <p>Minimum recycling rate</p>	<p>Y</p>
3.12	<p>Where recycling performance falls below 90% of the waste delivered (per week) the Contractor shall firstly inform the Council then segregate and retain the material until the Contractor discusses with the Authority alternative options for further treatment or disposal. No material shall be landfilled (except contaminant material not listed by the Council as acceptable in the blue bin) without the express prior agreement of the Authority. The Contractor will ensure that in the event that recycle material values fall to the point where landfill becomes an economically viable alternative to recycling, all possible alternatives for landfill</p>	<p>Recycling level contingency</p> <p>Materials markets</p>	<p>Y</p>

	diversion shall be evaluated (e.g. energy from waste). In this case, the waste hierarchy would be employed, such that every alternative method would be employed in preference to landfill. The Council requires a minimum of 5 working days of the Contractor's intent not to recycle the material.		
3.13	Residual contaminants should be disposed of within the price quoted. Should the Contractor experience difficulties regarding the outlets for specific materials the Council must be advised. It shall be the Contractor's responsibility to find appropriate end markets. No materials will be stockpiled for any more than 3 weeks (from receipt) without the express permission.	Landfill costs End markets Material storage	Y
3.14	The Contractor will provide a method statement for the sorting process. This must include a written guarantee that the materials collected for recycling will go to the outlets specified for the duration of the contract, as well as an average recovery rate expressed as a percentage by weight of the total materials collected, including contaminants. The Contractor should indicate where sorting is automated, and where manual.	Sorting process Material sale Recovery rate	Y
3.15	The Contractor will complete the Contractor's Questionnaire providing its range of outlets. The Contractor will provide a description of all steps which will be undertaken to ensure that they will ensure a minimum of 90% of blue bin materials will be recycled	Recovery rate Material sale outlets	Y
3.16	Where the export of materials	TFS Regulations	Y

	cannot be avoided, the Contractor will detail how it is ensured that the supply chain is robust and that all transportation complies with relevant legislation. Provide details of how the end use of the material is auditable and complies with legislation. The Contractor will confirm that, for the processing or reprocessing of the material, no child (under 16 years old) labour is involved and that it complies with the prevailing country's legislation	Material sale	
3.17	The Contractor will provide details of the final disposal arrangements for the residual waste materials. If relevant the Contractor will include a copy of the Waste Management Licence, including any exemptions and a copy of the Registration as a Waste Carrier	Waste disposal	N
4.6	The Contractor will confirm how they will ensure that all materials will be managed in accordance with relevant UK and Scottish legislation and in line with industry best practice. The Contractor will confirm how compliance with applicable legislation in the discharge of the service provided is ensured and what steps will be taken to ensure that the Authority is not brought into disrepute.	Legal compliance Best practice	Y
5.4	On a separate sheet, a monthly summary should be supplied with the following information within 10 working days of the end of the month: <ul style="list-style-type: none"> • Total tonnage delivered in a calendar month • Total tonnage recycled • Total tonnage rejected • Tonnage recycled (broken 	Management information Meeting contract objectives	Y

	down by percentage of individual materials)		
5.6	The Contractor will provide a detailed method statement of how tonnage information is returned to the Authority. This should indicate how information is gathered and reported, particularly indicating how the tonnage breakdown of individual materials is generated.	Management information Meeting contract objectives	N
8.2	The Contractor will provide details of your contingency plan to provide a continuous service including: (a) Your plan in the event of service disruption at either the waste transfer station or sorting facilities identified. The Contractor will identify alternative facilities, which will be used as waste transfer stations and sorting facilities. (b) Details of emergency waste storage capacity	Contingency and emergency arrangements	Y
8.3	Any additional costs incurred by the Authority as a result of service disruption at either the waste transfer station or sorting facilities identified above in Condition 3.2 or the contingency plan being put into place will be met by the Contractor	Contingency Additional costs	Y
10.3	The performance meetings will examine information provided by both the Contractor and the Authority, including: <ul style="list-style-type: none"> • Complaints, commendations and comments from users; • Weighbridge tickets and 	Performance measurement Meeting contract specification	Y

	<p>data provision;</p> <ul style="list-style-type: none"> Information gathered from previous meetings; 		
Appendix	<p>Material mix: The table below specifies the mandatory materials accepted in our blue bin commingled dry recyclate, which must be accepted as part of this contract. The Contractor will indicate their ability to accept these materials, over all minimum recycling rate and outlets. The Contractor will also indicate any other materials that can be accepted:</p>	Materials and specification	Y

6. Amended Clauses Suggested

Clauses which required modification or amendment were subjected to further examination. The criteria for analysis were that clauses should be revised where:

1. Where the clause or item is not clear in its intention
2. Where the clause or item is no longer related to the key contract objectives
3. Where the clause or item does not provide enough surety in activities being undertaken by the Contractor
4. Where existing legislation could be used to minimise text and provide a stronger base for enforcement
5. Where, in order to provide a stricter relation to the new objectives, a new or revised item is required

Table 5 - Clauses and Amendments

Number	Clause	Suggested Amended Clause
2.1	This contract seeks to identify one or more partners with the capability to accept un-segregated materials and sort them for recycling.	<p>This contract seeks to identify one or more organisations to enter into a partnership arrangement with the Council to undertake the following activities on their behalf:</p> <ol style="list-style-type: none"> 1. Acceptance of comingled dry recyclate 2. Sorting of recyclate into saleable commodities 3. Selling of recyclate as a commodity into stable and sustainable end use recycling markets 4. Reporting of quantity recycled and location/type of recycling activity 5. Disposal of contamination and rejected materials to suitably permitted landfill or other waste management treatment activity.
2.6	Once deposited the waste comes under the ownership of the Contractor who	Contractors are required to abide by, and be able to demonstrate compliance

	shall meet all subsequent sorting, reprocessing or disposal costs.	with, all aspects of the Duty of Care Regulations All costs associated with the services as specified will be met by the Contractor.
3.5	The contract will run from x to y. There will be a fixed gate fee of £z per tonne. Thereafter, there will be an option to extend on a month to month basis at the fixed gate fee of £z per tonne if both parties agree.	This contract will run from x until y. Thereafter there will be an option for the Council to extend the contract. The gate fee for this contract, inclusive of any extension period will be £x per tonne of recycle delivered as specified in the Schedule of Costs.
3.10	The Contractor will have the ability to accept all of the following materials as a minimum. <ul style="list-style-type: none"> • Steel and aluminium food and drinks cans, and aerosols and foil • Card and Cardboard • "Tetrapak" type containers, food and beverage cartons • Textiles • Plastic bottles • Paper- newspaper, magazines, brochures, catalogues, unwanted mail, telephone directories • Any contamination/ contrary material contained within the blue bin waste presented to the Authority for collection 	The Contractor will have the ability to segregate all of the following materials from the comingled mix of recycle materials as a minimum. <ul style="list-style-type: none"> • Steel food and drink cans • Aluminium food and drink cans • Card and Cardboard • Tetrapak type containers, • Food and beverage cartons • Textiles • Plastic bottles • Paper- newspaper, magazines, brochures, catalogues, unwanted mail, telephone directories • Any contamination/ contrary material contained within the comingled recycle deposited
3.11	The Contractor will accept all deliveries and sort and segregate the materials delivered as specified to a minimum 90% recycling rate. This recycling rate will be maintained for the duration of the contract.	The Contractor will accept all deliveries made by the Council. The Contractor will segregate and sort the delivered comingled recycle into saleable commodity materials in line with the information supplied in Appendix . The Contractor will be required to ensure that no less than 90% of the delivered material is recycled for the duration of the contract.
3.12	Where recycling performance falls below 90% of the waste delivered (per week) the Contractor shall firstly inform the Council then segregate and retain	No materials are to be landfilled (except for contamination materials not accepted in the comingled collection system) without express prior consent of

<p>the material until the Contractor discusses with the Authority alternative options for further treatment or disposal. No material shall be landfilled (except contaminant material not listed by the Council as acceptable in the blue bin) without the express prior agreement of The Authority. The Contractor will ensure that in the event that recyclate material values fall to the point where landfill becomes an economically viable alternative to recycling, all possible alternatives for landfill diversion shall be evaluated (e.g. energy from waste). In this case, the waste hierarchy would be employed, such that every alternative method would be employed in preference to landfill. The Council requires a minimum of 5 working days of the Contractor's intent not to recycle the material.</p>	<p>the Authority.</p> <p>Where the recycling performance drops below 90% of the comingled recyclate delivered – the Contractor is required to segregate and retain un-recycled material for Council inspection. A decision on further processing or alternate treatment will be taken through negotiation between Council and Contractor.</p>
<p>3.13 Residual contaminants should be disposed of within the price quoted. Should the Contractor experience difficulties regarding the outlets for specific materials the Council must be advised. It shall be the Contractor's responsibility to find appropriate end markets. No materials will be stockpiled for any more than 3 weeks (from receipt) without express permission.</p>	<p>Residual contamination composed of wastes and non recyclable materials are to be disposed of to a suitably licensed / permitted disposal facility. The cost of this activity is to be included within the price quoted.</p> <p>The Contractor is required to segregate and sort delivered recyclate material into saleable commodities in line with the information supplied in Appendix . Any alteration to the outlets specified in Appendix must be notified and agreed to by the Council.</p>
<p>3.14 The Contractor will provide a method statement for the sorting process. This must include a written guarantee that the materials collected for recycling will go to the outlets specified for the duration of the of contract, as well as an average recovery rate expressed as a percentage by weight of the total materials collected, including contaminants. You should indicate</p>	<p>The Contractor will provide a full method statement for the sorting and segregating processes to be employed. This should be inclusive of potential losses in the process and the saleable commodities to be produced.</p> <p>This method statement must illustrate the Contractors ability to recover and recycle no less than 90% of the</p>

	where sorting is automated, and where manual.	comingled recyclate input.
3.15	The Contractor will complete the Contractor's Questionnaire providing its range of outlets. The Contractor will provide a description of all steps which will be undertaken to ensure that they will ensure a minimum of 90% of blue bin materials will be recycled	The Contractor will complete the questionnaire in Appendix . Any alteration to the outlets specified in Appendix must be notified and agreed to by the Council.
3.16	Where the export of materials cannot be avoided, the Contractor will detail how it is ensured that the supply chain is robust and that all transportation complies with relevant legislation. Provide details of how the end use of the material is auditable and complies with legislation. The Contractor will confirm that, for the processing or reprocessing of the material, no child (under 16 years old) labour is involved and that it complies with the prevailing country's legislation	Where the end user of the saleable commodity as noted in Appendix is based overseas the Contractor must illustrate how it intends to comply with the Transfrontier Shipment of Waste Regulations, Green List and with other necessary requirements when exporting commodities.
3.18	Where the Contractor is a reprocessor of any of the segregated materials, this guarantee will be stated by written confirmation. Where the Contractor is a merchant or waste management company, this will be by supplying a copy of the contract with the end user.	The end user of each saleable commodity must be stated in Appendix . A copy of any contract with the end user must be forwarded to the Council. Where no such Contract exists Duty of Care notes must be collated and provided to the Council with each monthly invoice.
4.6	The Contractor will confirm how they will ensure that all materials will be managed in accordance with relevant UK and Scottish legislation and in line with industry best practice. The Contractor will confirm how compliance with applicable legislation in the discharge of the service provided is ensured and what steps will be taken to ensure that the Authority is not brought into disrepute.	The Contractor must illustrate that all relevant UK and Scottish legislation and guidelines are complied with in the discharge of this service.
5.4	On a separate sheet, a monthly summary should be supplied with the following information within 10 working	Each month the Contractor must provide information to the Council on the discharge of the service in line with the

	<p>days of the end of the month:</p> <ul style="list-style-type: none"> • Total tonnage delivered in a calendar month • Total tonnage recycled • Total tonnage rejected • Tonnage recycled (broken down by percentage of individual materials) 	<p>service requirements. This information should be supplied on the Contractors Monthly Return form.</p>
8.2	<p>The Contractor will provide details of your contingency plan to provide a continuous service including:</p> <p>(c) Your plan in the event of service disruption at either the waste transfer station or sorting facilities identified. The Contractor will identify alternative facilities, which will be used as waste transfer stations and sorting facilities.</p> <p>(d) Details of emergency waste storage capacity</p>	<p>The Contractor is required to provide to the Council a written contingency plan to provide a continuous service including, but not limited to:</p> <ol style="list-style-type: none"> 1. Disruption at your facility 2. Identification of alternate facilities for use 3. Emergency waste storage capacity 4. Weather emergencies 5. Commodity market failure
8.3	<p>Any additional costs incurred by the Authority as a result of service disruption at either the waste transfer station or sorting facilities identified above in Condition 3.2 or the contingency plan being put into place will be met by the Contractor</p>	<p>Any additional costs incurred by the Contractor as a result of any contingency plan being enacted will be met by the Contractor.</p>
10.3	<p>The performance meetings will examine information provided by both the Contractor and the Authority, including:</p> <ul style="list-style-type: none"> • Complaints, commendations and comments from users; • Weighbridge tickets and data provision; • Information gathered from previous meetings; 	<p>Performance meetings will examine the information provided back the Council by the Contractor through the Contractors Monthly Return forms as well as additional information supplied by the Council and the Contractor, including:</p> <ul style="list-style-type: none"> • Complaints, commendations and comments from users; • Information gathered from previous meetings;
Appendix	<p>Material mix: The table below specifies the mandatory materials accepted in</p>	<p>Revised item required</p>

our blue bin commingled dry recyclate, which must be accepted as part of this contract. The Contractor will indicate your ability to accept these materials, over all minimum recycling rate and outlets. The Contractor will also indicate any other materials that can be accepted:

7. Clauses Meeting Needs of Objectives

In order to ensure the validity of the process a “check” on whether revised clauses met the needs of the objectives was undertaken. This check consisted of identifying the key clauses and items that satisfied both the objective and the risk option.

7.1. Minimum Recycling Rate of 90%

Table 6 - Clauses for Minimum Recycling Rate Objective

Issue	Risk Option	#	Main Related Clause (s)
Input composition is unknown	Transfer	3.11	The Contractor will accept all deliveries made by the Council. The Contractor will segregate and sort the delivered comingled recycle into saleable commodity materials in line with the information supplied in Appendix. The Contractor will be required to ensure that no less than 90% of the delivered material is recycled for the duration of the contract.
Dependant on materials markets	Transfer	8.2	The Contractor is required to provide to the Council a written contingency plan to provide a continuous service including, but not limited to: <ol style="list-style-type: none"> 1. Disruption at your facility 2. Identification of alternate facilities for use 3. Emergency waste storage capacity 4. Weather emergencies 5. Commodity market failure
		8.3	Any additional costs incurred by the Contractor as a result of any contingency plan being enacted will be met by the Contractor.
		3.12	No materials are to be landfilled (except for contamination materials not accepted in the comingled collection system) without express prior consent

			of the authority. Where the recycling performance drops below 90% of the comingled recyclate delivered – the Contractor is required to segregate and retain unrecycled material for Council inspection. A decision on further processing or alternate treatment will be taken through negotiation between Council and Contractor.
		New Contract Item	Contractors Monthly Return Form
Delivery of minimum tonnage	Accept		None.
Linked to plant and process losses	Transfer / Mitigate	3.14	<p>The Contractor will provide a full method statement for the sorting and segregating processes to be employed. This should be inclusive of potential losses in the process and the saleable commodities to be produced.</p> <p>This method statement must illustrate the Contractors ability to recover and recycle no less than 90% of the comingled recyclate input.</p>

7.2. Fixed Gate Fee

Table 7 - Clauses for Fixed Gate Fee Objectives

Issue	Risk Option	#	Main Related Clause (s)
Gate Fee Variation	Remove	3.13	Residual contamination composed of wastes and non recyclable materials are to be disposed of to a suitably licensed / permitted disposal facility. The cost of this activity is to be included within the price quoted.
		2.1	This contract seeks to identify one or more organisations to enter into a

			<p>partnership arrangement with the Council to undertake the following activities on their behalf:</p> <ol style="list-style-type: none"> 1. Acceptance of comingled dry recyclate 2. Sorting of recyclate into saleable commodities 3. Selling of recyclate as a commodity into stable and sustainable end use recycling markets 4. Reporting of quantity recycled and location/type of recycling activity 5. Disposal of contamination and rejected materials to suitably permitted landfill or other waste management treatment activity.
		2.6	All costs associated with the services as specified will be met by the Contractor.
		8.3	Any additional costs incurred by the Contractor as a result of any contingency plan being enacted will be met by the Contractor.
Linked to material prices	Transfer / Mitigate	8.2	<p>The Contractor is required to provide to the Council a written contingency plan to provide a continuous service including, but not limited to:</p> <ol style="list-style-type: none"> 1. Disruption at your facility 2. Identification of alternate facilities for use 3. Emergency waste storage capacity 4. Weather emergencies 5. Commodity market failure
Dependant on minimum tonnage delivered	Accept.		None.

7.3. Sustainable Sale of Recyclate

Table 8 - Clauses for Recyclate Sales Objective

Issue	Risk Option	#	Main Related Clause (s)
Stable Market	Transfer	2.1	<p>This contract seeks to identify one or more organisations to enter into a partnership arrangement with the Council to undertake the following activities on their behalf:</p> <ol style="list-style-type: none"> 1. Acceptance of comingled dry recyclate 2. Sorting of recyclate into saleable commodities 3. Selling of recyclate as a commodity into stable and sustainable end use recycling markets 4. Reporting of quantity recycled and location/type of recycling activity 5. Disposal of contamination and rejected materials to suitably permitted landfill or other waste management treatment activity.
		3.13	<p>The Contractor is required to segregate and sort delivered recyclate material into saleable commodities in line with the information supplied in Appendix. Any alteration to the outlets specified in Appendix must be notified and agreed to by the Council.</p>
Identifying preference		Appendix	See revised Appendix

8. New Contract Items Required

This modification to Appendix is to allow the Council to see the saleable commodities that will be produced from their dry recycle collections.

It is anticipated that this will allow the Council to evaluate the potential Contractors against:

- the stability of the market they are selling into and
- the commodity they will be selling

to meet Council objectives on stability of gate fee and preference towards stable markets.

8.1. Modified Appendix

Table 9 - Modified Appendix

Material	Saleable Commodity Produced	Please Select	Reprocessor to be Supplied	Location of Reprocessor
Paper	News and PAMS			
	Mixed Paper			
	Other Mix			
Plastics	Segregated PET			
	Segregated HDPE			
	Mixed Plastic			
	Mixed Bottles Only			
	Other Mix			
Steel Cans	Loose Steel Cans			
	Baled Steel Cans			
Aluminium Cans	Loose Aluminium Cans			
	Baled Aluminium Cans			
Cardboard	Old KLS			
	Mixed Card			
	Other Mix			
Textiles	Textiles			
Other	Tetrapak			
Contamination	Landfill			
	Energy Recovery			
	Other			

8.2. Contractors Monthly Return Form

Table 10 - Monthly Data Return Form

Material		Tonnes	% Of Comingled Tonnage Delivered	% of Comingled Tonnage Recycled
Comingled Dry Recyclate Delivered			100%	
Material	Saleable Commodity Produced	Tonnes	% Of Comingled Tonnage Delivered	% of Comingled Tonnage Recycled
Paper	News and PAMS			
	Mixed Paper			
	Other Mix			
Plastics	Segregated PET			
	Segregated HDPE			
	Mixed Plastic			
	Mixed Bottles Only			
	Other Mix			
Steel Cans	Loose Steel Cans			
	Baled Steel Cans			
Aluminium Cans	Loose Aluminium Cans			
	Baled Aluminium Cans			
Cardboard	Old KLS			
	Mixed Card			
	Other Mix			
Textiles	Textiles			
Other	Tetrapak			
Contamination	Landfill			
	Energy Recovery			
	Other			

9. Critical Review Conclusions

At the end of this critical review process there are a number of conclusions that can be drawn from both the review process itself and from the specifics of this case study:

1. As the nature of the Council's objectives change – so too should the tender specification, evaluation criteria and final contract
2. Identifying the objectives of the contract at an early stage in the contract and tender drafting stage is critical
3. Ensuring that the contract is accurately reflected in the invitation to tender and evaluation process is critical
4. A review process of ensuring that there is complicity between contract clause objectives and Council contract objectives is useful
5. The evidence of this case study suggests that the Council do have the majority of clauses and contract items existing
6. The major element of this work has been to modify the existing clauses and items to new or revised Council objectives
7. Clarity of the objectives and evaluation was defined early on by the Council and was communicated to the procurement team – this meant the process had full systematic co-ordination between Waste Management and Procurement