



RESIDUAL WASTE TREATMENT INTERIM SERVICES

The contents of this Decision Document have been considered and approved by the arc21 Joint Committee, which is made up of representatives of each of arc21's constituent councils.

On 7 December 2021 the arc21 Joint Committee:

- (i) Approved and adopted the terms of the Decision Document, as representing the position and views of arc21;***
- (ii) Endorsed the decisions and positions set out within the Decision Document;***
- (iii) Authorised arc21 officers to publish the terms of the Decision Document (with appropriate cover note) informing the market that the Decision Document represents a decision taken by the arc21 councils and that the intention is commence a new procurement competition in accordance with its terms; and***
- (iv) Following publication of the Decision Document, authorised arc21 to commence a new procurement competition on the basis and reflecting the terms set out within the Decision Document.***

The Decision Document is being published to inform the public and the market of the decisions reached by arc21 and its intention to proceed to commence a procurement competition on the basis set out within the document, following expiry of a 3-month period.

The Decision Document contains details of a number of decisions taken by a public body (namely arc21 and its constituent councils) concerning the future arrangements for residual waste within the arc21 region in the period until the Residual Waste Treatment Project is operational and the procurement procedures to be used to implement those arrangements. Any challenge to the decisions, positions and approach set out within the Decision Document must be commenced by way of judicial review and be brought within 3 months of the date the decisions were made (and the document approved) by the arc21 Joint Committee.

ARC21

RESIDUAL WASTE TREATMENT INTERIM SERVICES

Decision Document

(Confidential until approved by Joint Committee)

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REPORT

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Donal Doyle



24 November 2021

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Prepared by:

RPS

Prepared for:

arc21

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1 INTRODUCTION

1.1 Background

The envisaged long-term residual waste treatment solution for arc21 involves the proposal to co-locate a Mechanical Biological Treatment (MBT) plant, an Energy from Waste (EfW) plant and a Visitor Centre at the Hightown Quarry site on the Boghill Road, Mallusk. However, this proposal is still at the planning stage, with a determination date currently unknown, and is subject to an ongoing public procurement exercise that needs to be concluded. Furthermore, it is estimated that the residual waste treatment facility will take approximately four years to be fully operational once all necessary consents are secured. Therefore, an interim solution for the treatment and energy recovery / disposal of residual waste in the arc21 region is required.

arc21 propose to procure a contract(s) for the treatment and energy recovery / disposal of residual waste on behalf of any or all Councils in the east of Northern Ireland that it represents, in the interim period. It should be noted that each Council has different circumstances in terms of the geographic spread of the waste arising, the tonnage and scope of the material streams requiring treatment, and the capability to bulk waste for onward haulage.

As part of this process, arc21 obtained the views of potential private sector suppliers on the key issues involved in procuring and delivering new waste treatment contract(s) in the region to inform the decision-making process.

This document, which has been produced after discussions with arc21 officers, sets out the background to arc21's current arrangements, a brief summary of the key themes from the market sounding exercise and the proposed way forward (including position to be adopted in relation to certain key decisions) in relation to how arc21 will approach and deal with residual waste in the interim period.

1.2 Scope of Contract

The services will provide for the treatment and energy recovery / disposal of the Council's future residual waste arisings. Residual waste treatment and disposal requirements for this contract can arise from: residual kerbside collections, residual waste from commercial / trade collections, residual waste collected or from HWRCs, residual waste from bulky household collections, street cleansing such as litter bins, fly-tipped waste; and street sweepings (the "**Services**").

2 CURRENT ARRANGEMENTS AND WASTE STRATEGY

2.1 arc21

arc21 is an umbrella waste management group in Northern Ireland representing 6 councils in the east of the Province. It was established in 2003 and formally incorporated in 2004 after a gradual process of closer co-operation between its councils which numbered 11 at that time prior to local government reform in 2015.

arc21 works on behalf of its member councils to guide, support and help them meet their legal requirements and drive forward innovative waste management programmes including the development of infrastructure.

The six constituent councils of arc21 are Antrim and Newtownabbey Borough Council, Belfast City Council, Ards and North Down Borough Council, Lisburn & Castlereagh City Council, Mid and East Antrim Borough Council and Newry, Mourne and Down District Council.

arc21's work is governed by a legally binding collaborative agreement between all of its councils.

2.2 arc21 Region

The arc21 region covers an area of approximately 4,606 km² which is approximately 32% of the total land area of Northern Ireland. Four of the six district councils in the arc21 region are bounded by coastline. The population of Northern Ireland is 1,810,863 (Census 2011) with approximately 59% of the total population living in the arc21 Region.

The proportion of waste collected by each council broadly reflects the population within the councils.

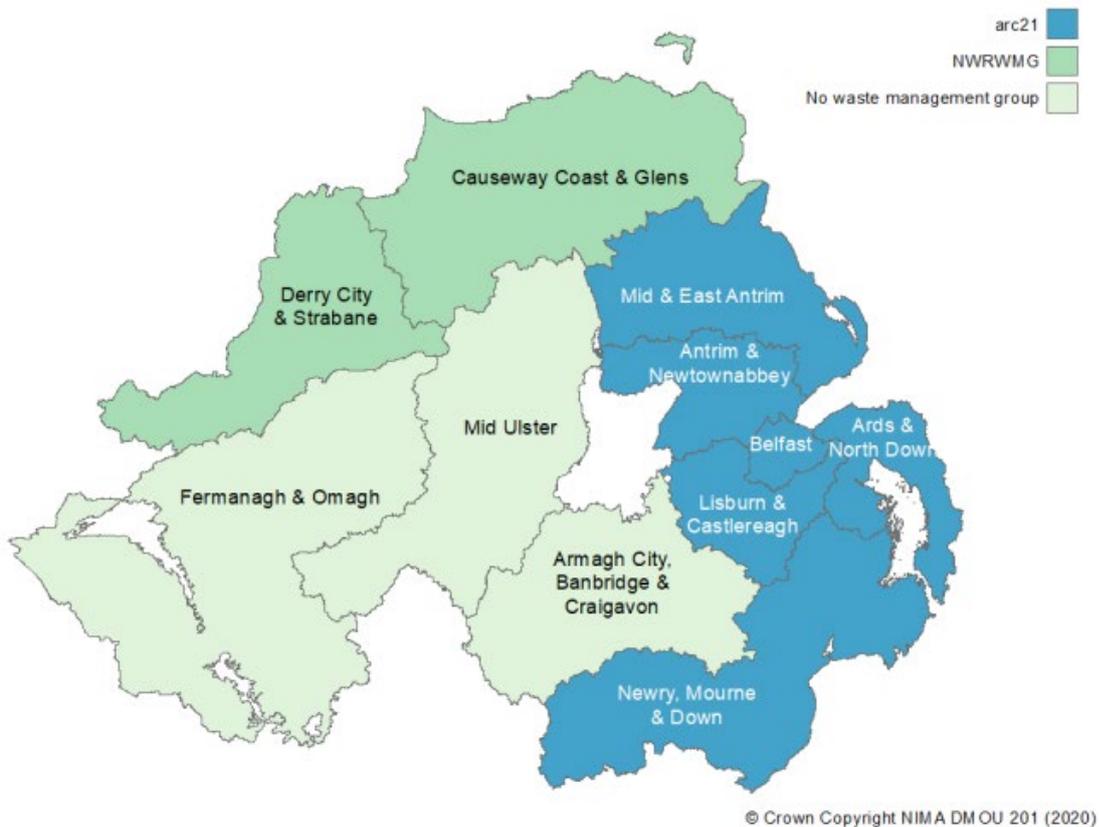


Figure 2.1 Map of councils and waste management groups in Northern Ireland

2.3 arc21 Population

Population figures based on NISRA mid-year population estimates for 2019 are contained in Table 2.1.

Table 2.1 Population estimates by Council

Authority	Population (2019)
Antrim & Newtownabbey	143,504
Ards & North Down	161,725
Belfast	343,542
Lisburn & Castlereagh	146,002
Mid & East Antrim	139,274
Newry, Mourne & Down	181,368
arc21	1,115,415

2.4 arc21 Housing Stock

The number of occupied households is estimated from the total housing stock adjusted for vacant properties using the 2011 Census.

Table 2.2 Housing Stock Details by Council

Authority	Housing Stock
Antrim & Newtownabbey	58,392
Ards & North Down	69,550
Belfast	148,599
Lisburn & Castlereagh	59,171
Mid & East Antrim	57,822
Newry, Mourne & Down	67,034
arc21	460,567

2.5 Local Authority Collected Municipal Waste

The Household Waste arising in each Council area is summarised in Table 2.3 below.

Table 2.3 LACMW arisings by Council, 2019/20

Authority	Household waste arisings	Non household waste arisings	Total LAC municipal waste arisings
Antrim & Newtownabbey	84,401	17,866	102,267
Ards & North Down	79,739	6,959	86,698
Belfast	144,116	24,399	168,515
Lisburn & Castlereagh	71,774	7,131	78,905
Mid & East Antrim	66,772	7,024	73,797
Newry, Mourne & Down	76,018	8,591	84,610
arc21	522,820	71,971	594,791

2.6 Overview of Current Arrangements

2.6.1 Current Transfer Stations

A number of residual waste transfer stations are in operation in the arc21 region as set out in Table 2.4.

Table 2.4 Current waste transfer stations used for residual waste

Council Area	Transfer Station
Ards & North Down	Balloo Road Transfer Station
	North Road Newtownards
Belfast City Council	Dargan Road Transfer Station
Mid & East Antrim	Tully Waste Transfer Station
	Sallutober Transfer Station (under development)

3 RESIDUAL WASTE INFORMATION

3.1 Current Arisings

A summary of the key waste arising data is provided below. Further details are available on the DAERA website at the link below:

<https://www.daera-ni.gov.uk/articles/northern-ireland-local-authority-collected-municipal-waste-management-statistics>

Key waste management indicators are presented in Tables 3.1 to 3.4.

3.1.1 Kerbside Collected

Table 3.1 sets out the local authority collected municipal waste arisings from the kerbside for the arc 21 constituent councils.

Table 3.1 Local authority collected (LAC) municipal waste arisings, kerbside collected, by council and waste management group, 2019/20

Authority	Kerbside initially collected for recovery	Kerbside initially collected for disposal
Antrim & Newtownabbey	25,911	24,846
Ards & North Down	31,656	24,087
Belfast	42,649	75,000
Lisburn & Castlereagh	25,411	23,892
Mid & East Antrim	25,294	26,141
Newry, Mourne & Down	30,600	30,703
arc21	181,522	204,669

3.1.2 Civic Amenity Site/HWRC

Table 3.2 sets out the local authority collected municipal waste arisings arising at the Civic Amenity/Household Waste Recycling Centres for the arc 21 constituent councils.

Table 3.2 Local authority collected (LAC) municipal waste arisings, HWRC collected, by council, 2019/20

Authority	CA/HWRC initially collected for recovery	CA/HWRC initially collected for treatment
Antrim & Newtownabbey	38,025	9,040
Ards & North Down	18,467	9,434
Belfast	19,423	15,823
Lisburn & Castlereagh	17,240	8,862
Mid & East Antrim	14,797	6,263
Newry, Mourne & Down	11,780	8,858
arc21	119,732	58,281

3.1.3 Residual Waste Sent for Treatment

arc21 and their constituent Councils envisage that the contract(s) in respect of the Services may require a binding diversion target and recycling target.

Table 3.3 sets out the LAC residual waste sent to MRFs for sorting by Council area and for arc21. The recovered recyclates range from 4.7% for Newry Mourne and Down to 32.4% for Antrim and Newtownabbey.

Table 3.3 LAC residual waste sent to materials recovery facilities for sorting by district council, 2019/20¹

Authority	Input (tonnes)	Recycled (tonnes)	Rejects to RDF (tonnes)	Rejects to landfill (tonnes)	Recovered recyclates (%)	Recovered energy from RDF rejects (%)	Disposed to landfill (%)
Antrim & Newtownabbey	12,914	4,189	7,296	775	32.4	56.5	6.0
Ards & North Down ²	0	0	0	0	-	-	-
Belfast	67,118	8,720	34,964	15,057	13.0	52.1	22.4
Lisburn & Castlereagh	5,875	1,780	1,925	2,169	30.3	32.8	36.9
Mid & East Antrim	6,263	910	4,543	615	14.5	72.5	9.8
Newry, Mourne & Down	38,751	1,830	32,445	3,957	4.7	83.7	10.2
arc21	130,921	17,429	81,174	22,573	13.3	62.0	17.2

3.1.4 LAC Collected for Disposal

Table 3.4 sets out the LAC residual waste collected for disposal by Council area and for arc21.

Table 3.4 Sources and categories of LAC municipal waste collected for disposal by district council, 2019/20

Authority	Collected household waste		CA/HWRC waste
	Regular collection	Household	Non-household
Antrim & Newtownabbey	21,071	8,812	228
Ards & North Down	20,965	9,430	4
Belfast	63,151	15,823	0
Lisburn & Castlereagh	22,004	8,862	0
Mid & East Antrim	23,025	6,263	0
Newry, Mourne & Down	25,967	5,275	3,583
arc21	176,184	54,465	3,815

¹ Inputs may not always equal outputs as some councils employ an additional process where material, destined for landfill, is then biostabilised. This results in a significant mass (mainly water) loss which is not accounted for in this table.

² A hyphen '-' denotes a cell where a rate could not be calculated due to a zero in the cell providing the denominator.

4 MARKET SOUNDING

A Market Sounding was published on etendersNI on 4th June 2021 and an Information Memorandum and Questionnaire was issued to interested parties. Those companies that returned a completed questionnaire were then invited to a meeting via Microsoft Teams on week commencing 21st June 2021. The purpose of conducting a market sounding was to allow arc21 to generate awareness in the waste sector of the scope and nature of the Services and to capture the views of the waste sector in relation to the key issues involved in procuring and delivering new waste treatment contracts for the Services.

The market sounding was carried out on a confidential basis so it is not therefore possible to provide a synopsis of the responses from the participants however for the purpose of this paper it is important to consider the key themes on a number of specific areas and to summarise our consideration and subsequent conclusion. These topics are explored in Table 4.1 below and the topics follow the structure of the questionnaire provided to the market for completion.

Table 4.1 Market Sounding Considerations

Topic	Key Themes from Market Sounding and arc21 Position to be adopted in relation to the Services
Scope of Service	
Service Content	There are differing views in the market in terms of the need to segregate waste streams. The separation of the waste streams will be determined by the Councils' handling requirements and will differ between Councils. The Lot structure will be presented in recognition of the individual Councils requirements.
Service Solutions	There are a range of non-landfill solutions available to Local Authorities in Northern Ireland. Recyclate is currently being reported as being extracted from residual waste streams and a level of pretreatment to include for extracting recycling will be specified by arc21, with each bidder provided with an option to bid back a higher figure given the waste flows through their plant. It is recognised that the export of the waste for energy recovery outside of Northern Ireland will be required given the limited infrastructure available in the local market.
Waste Streams	The residual waste may arise from the kerbside, HWRCs, street cleansing such as litter bins, fly-tipped waste, residual waste from commercial / trade collections and residual waste from bulky household collections. Street sweepings will not be part of the contract. Mattresses prove particularly difficult for contractors to process through a mixed collection and should be removed from the waste stream.
Extended Producer Responsibility and Deposit Return Scheme	Where Extended Producer Responsibility and Deposit Return Scheme impact on a service provider's ability to extract recycling as a result of composition change, an adjustment to the recycling rate will be accommodated based on the revised composition of the relevant waste stream.
Circular Economy Aspirations	The Local Authorities will require a specified minimum level of pre-treatment of the waste which will include a level of front end recycling from the waste streams with a cap on landfill disposal.

Topic	Key Themes from Market Sounding and arc21 Position to be adopted in relation to the Services
Waste Data Reporting	The Local Authorities will require a comprehensive level of reporting on all waste managed through the contract.
Risk Allocation	
Waste Quantity Risk	The importance of tenderers to understand the capacity requirements for each call off contract is recognised as such the contracts will include exclusivity or a guaranteed minimum tonnage in terms of managing the defined waste stream for the Contract Period
Waste Quality Risk	The general consensus of the market was that composition risk for residual waste can be managed by the market except in terms of changes in legislation which may impact the recycle content of the waste.
Contract Term	The envisaged long-term residual waste treatment solution for arc21 involves the proposal to co-locate a Mechanical Biological Treatment (MBT) plant, an Energy from Waste (EfW) plant and a Visitor Centre at the Hightown Quarry site on the Boghill Road, Mallusk. However, this proposal is still at the planning stage, with a determination date currently unknown, and is subject to an ongoing public procurement exercise that needs to be concluded. Furthermore, it is estimated that the residual waste treatment facility will take approximately four years to be fully operational once all necessary consents are secured. Therefore, an interim solution for the treatment and energy recovery / disposal of residual waste in the arc21 region is required. It is currently envisaged that the DPS will be active for a minimum of 4 years. The duration of individual call off contract periods may vary, with the initial contracts (anticipated to be awarded in 2022) currently envisaged to be for a duration of at least 3 years with options to extend . The duration of subsequent call-off contracts will reflect the needs and requirements of the Councils at that time. Exchange rate fluctuations will be a matter for the service provider and the Local Authorities will not accept any risk in this regard. Inflation will be managed through an appropriate industry index (e.g. CPI or RPI) which will apply on the first anniversary of each call off contract.
Other Risks	
Contingency Arrangements	Service providers will be required to provide contingency arrangements in certain circumstances including availability of the waste facilities.
Financial Arrangements	
Social Value Considerations	Social Value clauses consistent with the Sustainable Development Strategy for Northern Ireland and Technical Award Criteria evaluating Social Value may be included within the DPS and individual call-off contracts as appropriate.

5 KEY DECISIONS

As a result of the Market Sounding and consultation with the Councils, arc21 have identified some key decisions that have been taken in relation to the procurement process and specification of the Services. Details of these key decisions are set out below:

5.1 Statutory Waste Management Plan

arc21's constituent councils have adopted their statutory waste management plan and it was determined by the Department in September 2015. The Plan covers the period 2015 to 2020 by identifying a number of arrangements and measures to achieve the Plan's objectives, including compliance with NILAS. Until modified or replaced, the current version remains the extant version of the plan, which will continue to be implemented and delivered by arc21 and its constituent councils.

5.2 Non-exclusivity

The establishment of the DPS is not intended to constitute the sole or exclusive arrangements that may be used by arc21 (or any of its constituent councils) to procure residual waste treatment services. The establishment of the DPS, shall not restrict arc21 (or any of its constituent councils) from acquiring similar, equal or like services from other entities or sources.

Individual call-off contracts awarded pursuant to the DPS may however include exclusivity obligations in relation to certain categories of waste. See section 5.5 below.

5.3 Procurement process

arc21 considered the procurement options open to it and intend to establish a dynamic purchasing system (DPS) for the Services and then run competitions for individual contracts pursuant to that DPS. The DPS involves a two-stage process. The first is an initial setup stage where interested parties are evaluated against the contracting authority's selection criteria and those who qualify are admitted to the DPS. Interested parties can apply to join the DPS at any time so this first stage is not time-barred. Following the establishment of the DPS, the contracting authority has 10 working days from receipt of further applications to make a decision but this can be extended to 15 working days where justified. All economic operators who have applied and meet the criteria shall be accepted to the DPS. The second stage is where individual contracts are awarded based on the individual bids by the members of the DPS. All economic operators in the relevant Lot of the DPS must be invited to tender for each contract.

A DPS may be divided into categories of products, works or services that are to be tendered for and these categories are defined objectively based on characteristics such as the specific geographical area where the contract is to be performed. In this case arc21 has determined that it would make sense to split the DPS into a number of Lots, more detail on these is set out below.

A DPS is beneficial where common goods, services or works are being procured because it can streamline procurement for both the economic operators and contracting authorities. Economic operators do not have to repeatedly demonstrate their suitability to take part in a tender process; they can instead focus on achieving their best tender offer which in turn benefits the contracting authority.

The ability for economic operators to apply to join the DPS at any time allows for greater competition which benefits the contracting authority, but at the same time the contracting authority will know how many economic operators they have on the DPS at any one time which allows the contracting authority to predict and manage more efficiently how many tender responses they will receive. There is a greater flexibility in this respect with a DPS than with framework agreements. The DPS also has the flexibility of having no maximum 'period of validity'.

Other advantages of the DPS, when compared with the open or restricted procedures, include:

- The ability for arc21 to use the DPS to award contracts at different times during the duration of the DPS;
- The ability to tweak / more precisely calibrate the Award Criteria / requirements for secondary competitions;
- Flexibility in relation to approach to secondary competitions;
- Possibility to allow economic operators to change their prices during the term of the DPS to match current market conditions / circumstances; and
- Opportunity for economic operators to resubmit (and be successfully assessed as meeting the minimum requirements) throughout the term of the DPS (e.g. to update or correct licensing issues that may have prevented admission to DPS in first instance).

Overall therefore it was considered by arc21 that establishing a DPS in respect of the Services is the most appropriate procurement route to follow.

5.4 Lots Structure

The procurement will be divided into four lots to reflect the requirements that the Councils may have over the life of the DPS. The proposed lot structure is broadly as follows:

- Lot 1 – Residual kerbside collections, residual waste from commercial / trade collections, which may be mixed with Other³ residual waste streams;
- Lot 2 - Residual waste from HWRCs which may be mixed with Other³ residual waste streams;
- Lot 3 – Combined Residual Kerbside residual waste from commercial / trade collections and HWRC Waste stream which may be mixed with Other³ residual waste streams; and
- Lot 4⁴ – Other Residual waste streams such as street litter, bulky waste, fly tipped waste that has not or cannot be combined in any of the Lots.

Within each of the Lots there may also be a requirement for the contractor to provide: a delivery point(s) within a specified range; the loading of waste and/or an element of waste transport. At this stage it has not been finally determined as to whether there will be a single procurement competition covering all four Lots, or if each Lot will be procured individually, pursuant to separate procurement competitions.

5.5 Tonnages

It is proposed that the scope of each call-off contract will define the proposed material to be included within the call off contract. Depending on the term of the DPS, current and/or new facilities may be shared between Councils (at this stage there is no expectation that this will include Councils outside the arc21 area, but depending on future collaboration and agreement that may change during the term of the DPS) and as such the possibility that waste from Councils outside the arc21 area will be included in certain call-off contracts during the DPS has not been ruled out. Successful tenderers will then be either offered exclusivity or a guaranteed minimum tonnage in terms of managing this defined waste stream for the Contract Period.

³ Other Residual waste streams includes street litter, bulky waste, fly tipped waste.

⁴ This is to give flexibility for Councils in the event they wish to keep these waste streams separate, as some do currently.

5.6 Extracting recyclates from the residual waste & Pre-Treatment of Waste

The arc21 Residual Waste Treatment Project includes a contractual requirement for the contractor to recycle in each Contract Year a minimum of 7% by weight of Contract Waste from the combined residual kerbside collections and residual waste collected from Household Waste Recycling Centres. It is an aspiration that this minimum recycling level is provided for in each call-off contract awarded pursuant to the DPS. As part of the secondary competition in respect of specific call-off contracts, tenderers will be required to demonstrate as part of their tender submission how this minimum level of recycling will be achieved. At this stage in Lots 1 to 3 it is envisaged that such demonstration will be based on the composition reported in the Northern Ireland Kerbside Waste Composition 2017 (however this may change during the term of the DPS). In addition, as part of the secondary competition, tenderers will be required to bid back the actual recycling rate they will offer at the time of tender based on their proposal and this will need to include the technical analysis of which recyclates the contractor will target to achieve the bid back recycling rate. Such bid recycling rate will be included in the call-off contract and the contractor's actual performance will be measured and assessed against this. Any failure to achieve the rate will infringe the performance regime under the call-off contract unless the contractor can demonstrate that the composition has changed from the date of award and the necessary materials to be recycled are no longer present in the waste.

For Lot 4 arc21 reserves the right to specify an alternative minimum recycling rate for individual call off contracts based on what is considered reasonable in view of the characteristics of the waste to be processed through that call off contract on that Lot.

In addition, as part of their requirements for individual call-off contracts, arc21 and its constituent councils may include a specific obligation for the Contractor to ensure that all material, with the exception of any unacceptable waste, which will be defined in the call-off competition documents, has been subject to pre-treatment.

Pre-treatment will require that;

- (i) The waste is treated by a physical, chemical or biological process, or combination of these processes, which includes sorting (shredding and/or compaction would not be suffice)
- (ii) The process changes the characteristics of the waste by maximising the removal of recyclates and should enhance its ability to be recovered

5.7 Waste Haulage

Councils will have different requirements in relation to whether they require haulage to be included in their contracts. Table 5.1 below set out the current position of each of the Councils in relation to waste transfer points.

Table 5.1 Waste Transfer Arrangement

Authority	Existing Transfer Stations	Current Position ⁵
Antrim & Newtownabbey	No Transfer Station	Provision of Delivery Point by contractors
Ards & North Down	Balloo Road Transfer Station North Road, Newtownards	Provision of Delivery Point through contracts
Belfast	Dargan Road Transfer Station	Loading and haulage at the Transfer Station Council by the Contractor in addition to provision of facilities.
Lisburn & Castlereagh	No Transfer Station	Provision of Delivery Point by supplier
Mid & East Antrim	Tully Waste Transfer Station, Ballymena Sullatober Transfer Station, Carrickfergus New site due to open in 2022	Provision of Delivery Point through the contract
Newry, Mourne & Down	No Transfer Station	Provision of Delivery Point through the contract

5.8 Waste Hierarchy

The waste hierarchy ranks waste management options in terms of sustainability and environmental impact. The revised Waste Framework Directive (rWFD) requires the application of the revised waste hierarchy as a priority order in waste prevention. Prevention (at the 'top' of the hierarchy) is given top priority as it aims to stabilise and reduce waste generation whilst disposal to landfill is the lowest priority. Recycling and Recovery sit above disposal in the hierarchy.

Tenderers will be required to demonstrate how their proposal meets the application of the Waste Hierarchy in accordance with Regulation 17 of the Waste Regulations (Northern Ireland) 2011.

It is envisaged that Tenderers will be asked to respond to a specific question in their application to be admitted to the Dynamic Purchasing System in order to demonstrate this. This response will then be evaluated by arc21 on a pass / fail basis.

5.9 Proximity Principle and Self Sufficiency

arc21 endorses the principles of self-sufficiency and proximity but as the market engagement exercise and recent reports produced for arc21 by Tolvik⁶ for the purposes of supporting arc21's Planning Application for Hightown Quarry, Mallusk, have indicated there is not sufficient capacity within Northern Ireland for the outputs to necessarily be treated in accordance with the sentiments expressed in 5.8 above and so any procurement will not seek to limit options to geographical areas.

⁵ Delivery point may be the place of processing or due to distance may be a transfer facility

⁶ Tolvik Report available at the following: <https://www.arc21.org.uk/downloads/Residual-Waste-Treatment-Project>

5.10 Minimum Landfill Diversion requirements

The Northern Ireland Landfill Allowances Scheme (NILAS) came into force on 1st April 2005 and applies to Northern Ireland only. NILAS makes detailed provisions for the allocation of landfill allowances allocated to District Councils to ensure compliance with the Landfill Directive with the final compliance date stated as 2020 as per the Landfill Directive. The relevant legislative basis is The Landfill Allowances Scheme (Northern Ireland) Regulations 2004 (the “NILAS 2004 Regulations”) which set out the conditions and provisions of the Scheme. The Landfill Allowances Scheme (Amendment) Regulations (Northern Ireland) 2009 came into operation on 1 April 2009 and amend the NILAS 2004 Regulations by reducing from 71% to 64% by weight (rounded up to the nearest tonne), the assumed amount of biodegradable municipal waste in an amount of collected municipal waste

The individual arc21 constituent councils will retain the risk for diversion associated with recycling and composting and therefore it is the remaining part of diversion needed to achieve NILAS compliance which will be transferred to the private sector contractors.

A minimum Landfill diversion will be required as part of each call-off contract. The arc21 Local Authority Collected Municipal Waste (“LACMW”) arising in 2019/20 was 594,791 tonnes. The NILAS allowance for the arc21 Councils is fixed at 129,879 tonnes of Biodegradable Municipal Waste (“BMW”). With a BMW content of 64% this equates to 34% of the LACMW being permitted to be landfilled in 2019/20. Therefore, taking account of a potential for waste growth through the life of the DPS (and individual call-off contracts), at this stage it is envisaged that for the initial call-off contracts awarded pursuant to the DPS that the percentage that can be landfilled of all Waste delivered to a contractor under a call-off contract is limited to a maximum of 30% by weight. For clarity this constraint applies in addition to any pre-treatment requirements set out in Section 5.6 and excludes any bottom ash from energy recovery facilities used in the treatment process.

5.11 Energy Recovery Status

Where waste is sent for Energy Recovery by thermal treatment the Facility shall meet the efficiency criteria that would define it as a recovery facility under Annex II of the EU Waste Framework Directive (2008/98/EC) (the “Waste Framework”).

For those facilities operating under the Waste Framework it is envisaged that evidence of compliance with Annex II Paragraph R1 status will need to be provided in order to satisfy the mandatory requirements to be admitted onto the DPS.

Where a facility is operating in areas not covered by this regime evidence will be required to show that any thermal treatment is being carried out in a facility that:

1. would achieve equivalence to compliance with Annex II Paragraph R1 status under the Waste Framework; and
2. enables arc21 to classify it as recovery as opposed to disposal for the purpose of Northern Ireland local authority collected municipal waste management statistics published by the Department of Agriculture, Environment and Rural Affairs. In determining this arc21 may have to liaise the Northern Ireland Environmental Agency and other external expert professionals.

5.12 Selection Criteria relating to Inclusion on the DPS

arc21 envisage the following mandatory requirements as selection criteria that must be satisfied for an economic operator to be admitted to the Dynamic Purchasing System:

- Acceptance of arc21 Form of Contract (general terms)
- provision of appropriate evidence that at the time of submission of their application to participate in the DPS, they have the necessary consents in place for the delivery of the scope of services intended for call

off contracts. At this stage this is envisaged to include. Evidence of all necessary regulatory consents including:

- waste licences / permits,
- working plans or
- exemption certificates

in relation to the facility / facilities proposed to be used to treat the waste by a physical, chemical or biological process, or combination of these processes, which includes sorting; and

- Evidence of satisfactory energy recovery status for any facilities proposed to carry out thermal treatment of the waste;
- Adequate demonstration of how their proposal meets the application of the Waste Hierarchy in accordance with Regulation 17 of the Waste Regulations (Northern Ireland) 2011; and
- Evidence of Employers Liability insurance of £10,000,000 per occurrence/event and unlimited in aggregate.

These selection criteria shall apply in addition to the application of the mandatory and discretionary exclusion grounds set out in Regulation 57 of the Public Contracts Regulations 2015.

Where a Tenderer's proposed solution involves use of a number of potential facilities, the expectation is that the Tenderer's application to be admitted to the DPS will cover each of these. If the facilities change during the course of the DPS, it will be the responsibility of the Tenderer to submit an updated version of their application for re-assessment and approval to remain qualified for the Lot.

5.13 Conditions / Minimum Requirements to participate in competitions for call-off contracts

In order to be eligible to be awarded a call-off contract, members of the DPS will need to provide evidence (or confirm as appropriate) as part of the specific competition for a call-off contract that they satisfy certain minimum requirements. These are envisaged to include that:

- They accept the terms of the arc21 Contract for the Services (this will be specific to the call-off contract including detailed specification);
- They have sufficient capacity at the facilities they are processing to use, to treat all of the waste that falls within the call-off contract being awarded;
- The facilities and/or delivery points proposed by the tenderer as part of their solution for the specific call-off contract are consistent with those included within their most recent approved application to be admitted to the DPS (and any approved changes to that);
- The facilities and/or delivery points proposed by the tenderer for the receipt of waste, are within any travel limits that arc21 has determined are required;
- Letters of support have been provided from any sub-contractors and/or associated third parties who are the owners or operators of a facility or delivery point forming part of the tenderer's proposed solution, indicating their support for the tenderer's proposals and confirming the amount of available capacity they are providing to the tenderer in order to service the call-off contract;
- They have sufficient economic and financial standing to perform the call-off contract. The requisite levels will be commensurate with the value of relevant call-off contract. In order to satisfy this criteria there may

be a need for tenderers to offer additional financial protections such as a parent company guarantee and/or a performance bond;

- They have Public Liability insurance of an amount commensurate with the risks that are envisaged to arise under the call-off contract (the specific levels will be specified within the call-off contract competition documentation);
- If the call-off contract includes haulage and/or the contractor is offering a delivery point for transfer only:
 - letters of support have been provided from any sub-contractors and/or associated third parties who are proposed to provide the haulage service, indicating their support for the tenderer’s proposals and confirming the scope of haulage service they are providing to the tenderer in order to service the call-off contract;
 - evidence that at the time of submitting their tender, the tenderer and (if applicable) its relevant sub-contractors and/or associated third parties have all of the necessary current Regulatory Consents for the proposed haulage service. Such evidence shall include without limitation complete copies of the following:
 - Waste Carrier Certificate(s); and
 - Road Transport Operator Licence(s); and
 - They (or if applicable relevant subcontractors) have motor insurance as required by law and covering the transportation of waste.

Compliance with such requirements will be assessed as part of the evaluation of tenders for call-off contracts, and any failure to provide sufficient evidence may result in rejection of that tenderer’s bid.

5.14 Award Criteria

In relation to the award of call-off contracts pursuant to the DPS, arc21 shall award the call-off contract to the Tenderer that submitted the best tender on the basis of the award criteria set out in the invitation to confirm interest as may be formulated more precisely in the invitation to tender.

In this regard arc21 envisages using the award criteria specified in Table xxx below:

Table 5.2 Relevant Weighting of Core Criteria

Criteria	Minimum Weighting	Maximum Weighting
Technical	0%	40%
Price	60%	100%

Where the weighting for Technical criteria is 0%, the evaluation of Technical Criteria will be assessed on a pass/fail basis.

The Councils and arc21 will determine the relative weightings and award criteria (including whether to conduct a competition on the basis of price only, with a minimum level of technical capacity being satisfied) in respect of the competitions for individual call-off contracts on the basis of the approach that they determine best meets their needs and requirements for the services.

The evaluation process in relation to technical criteria and price will only take into account the information provided by members of the DPS in their Submissions and, if appropriate, responses provided to arc21 in the course of any subsequent clarification process. In relation to the evaluation of price, the process will take into

account the information provided by members of the DPS in their Submissions, if appropriate, responses provided to arc21 in the course of any subsequent clarification process and any price adjustments that are required.

In relation to the detail of the Award Criteria used in respect of specific call-off contracts to be awarded pursuant to the DPS:

1. In relation to the technical award criteria, while these will be specific to the call-off contract being awarded, these are currently envisaged to include some or all of the following:
 - a) Arrangements for Receipt of Contractual Waste⁷;
 - b) Processing of Contractual Waste Material;
 - c) Performance Management and Reporting;
 - d) Communications and Complaints Handling; and
 - e) Social Value;

Each sub-criteria used will be allocated a sub-weighting based on the relative importance of that criteria to the Councils for the call-off contract being procured; and

2. In relation to the Price award criteria, this will be based on the expected cost to the Council(s) of each Tenderer's solution. This will involve an assessment of the proposed gate fee, expected tonnages, ancillary costs, such as out of hours working, loading charges etc (if relevant) and the costs to the Council(s) of transporting waste to the proposed tenderer's facility / facilities. More detail in relation to the proposed Transport Model to be used is set out below.

5.15 Transport Model

As part of the secondary competition to award specific call-off contracts, in order to enable arc21 to assess the cost to Councils of transporting waste to different tenderers' facilities (and hence the total cost of different solutions to the Councils), tenderers will be required to submit a Route Plan which will provide:

- a) A map and accompanying description of a Tenderer's proposed route for Relevant Member Councils to transfer and deliver Feedstock Material from that Relevant Member Council's Round End Point or Transfer Station to the Tenderer's proposed Delivery Point and the point to which the Relevant Member Council returns following each Delivery.
- b) Completed Tender Costs Proforma (with an assessment cost per mile as specified by arc21). The assessment will include the proposed route in miles from each of the Relevant Member Council's Round End Points or Transfer Station to the Tenderer's proposed Delivery Point, and where applicable, the return journey from the Tenderer's proposed Delivery Point to the point to which the Relevant Member Council returns following each Delivery. Tenderers are asked to calculate their Route Plan using main / trunk roads (classified as an A, B or M class road); and
- c) The Route Plan shall be used in the calculation of transport costs which shall be evaluated and scored in accordance with the evaluation criteria. Tenderers should note that a Delivery Point must be able to accept all Feedstock Material delivered to that Delivery Point by the Relevant Member Councils, nominated by the Tenderer to use that Delivery Point.

In addition to the use of the Route Plan to calculate transport costs, as part of the requirements for a secondary competition in respect of specific call-off contracts, arc21 may determine that it is necessary to impose travel limits (i.e. maximum duration and/or distance to travel to the tenderer's reception point for

⁷ Where haulage and/or loading forms part of the call-off contract, the proposed arrangements for hauling the waste will be considered under this criteria

waste (Delivery Point or Facility)). If this is the case, then the Route Plan shall also be used to assess whether the tenderer's proposed solution meets these travel limits.

5.16 Pre-Conditions to Award of Call-off Contract(s)

It is envisaged that as pre-conditions to the award of each call-off contract, the successful Tenderer shall provide to arc21 certain verifications, certificates or other documents required by arc21 in order to verify compliance with specific requirements of the call-off competition. While these will be specific to the relevant call-off competition and contract(s), at this stage arc21 envisages that such items may include:

- Copies of letters of support from any sub-contractors and/or associated third parties who are providing contingency capacity indicating their support for the tenderer's proposals and confirming the amount of available capacity they are committing to the contract;
- Evidence that all necessary Regulatory Consents (including waste licences or exemption certificates) for any sub-contractors and/or associated third parties who are providing contingency capacity have been granted; and
- Evidence of compliance with any other requirements relevant to the specific call-off competition and/or the provision of other necessary documentation or information specified by arc21.

Should any such pre-conditions not be satisfied arc21 may not award the relevant call-off contract to the successful Tenderer and may instead award the call-off contract to the next highest ranked Tenderer.

5.17 Performance Management

Key Performance Indicators will be included in the contract to be awarded. These will form part of the Contract Management process and will include:

- Vehicle Turnaround Time
- Non Performance on Recycling Target
- Non Performance of Landfill Diversion Target
- Non Performance of compliance with pretreatment of waste
- Non availability of Contractor's Delivery Points
- Compliance with notification periods
- Availability of waste handling and treatment records
- Accuracy of data records provided

The Authority reserves the right to add to these performance indicators as required. The consequences for failure by the contractor to meet the Key Performance Indicators will be specified in the specific call-off contract and may include matters such as the requirement to follow a rectification plan process, the imposition of service credits / deductions and may ultimately lead to termination of the contract.

5.18 Quality, Health and Safety and Environmental Contractual Requirements

It is envisaged that as part of each call-off contract awarded, the contractor shall be obliged to install, operate and maintain to the satisfaction of arc21 the following:

1. a Quality Management System in accordance with BS EN ISO 9001:2015 (or equivalent);
2. a Health and Safety Management System such as BS OHSAS 18001:2015 (or equivalent); and
3. an Environmental Management System to BS EN ISO 14001:2015 (or equivalent)

5.19 TUPE

Obligations under TUPE (including in respect of the potential transfer of staff) may arise in respect of individual call-off contracts. Further details in relation to TUPE will be provided at the call off contract stage.