

Item 4: Hertfordshire Waste Procurement Programme  
Authors: Terence Milner, Alan Gough and Richard Brown

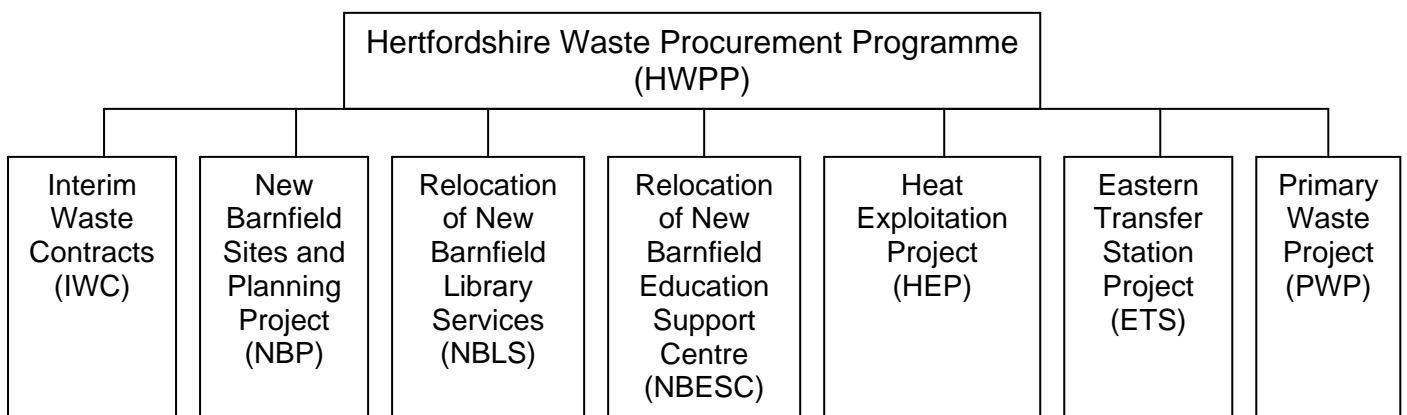
1. Purpose of report

To highlight recent developments with and next steps for the waste procurement programme.

2. Recent developments

2.1 The Outline Business Case (OBC) for waste PFI credits received Defra Ministerial approval on 12<sup>th</sup> February and was forwarded to HM Treasury's Project Review Group (PRG) for consideration. The PRG on 17<sup>th</sup> March reviewed Hertfordshire's bid along with three others and, on 27<sup>th</sup> March, Defra announced that £115m of PFI credits would be awarded to Hertfordshire. Norfolk and the South London Waste Partnership were also successful. The bid from Bedfordshire was rejected. A copy of the Defra news release is shown as Appendix A.

2.2 The OBC included a reference case – a central Energy from Waste (EfW) facility producing heat and power at New Barnfield, Hatfield supported by two transfer stations at Waterdale and in the east of the county – although more broadly sets out the elements needed to secure a long term, comprehensive residual waste treatment solution whether or not the reference case is utilised. The initial work to produce the OBC has developed into the Hertfordshire Waste Procurement Programme (HWPP) organised into seven related projects.



1. The Primary Waste Project (PWP) covers the procurement of the residual waste treatment facility or service and is generating

the output specification and associated evaluation criteria. It is led by officers with procurement, waste management, finance and legal expertise, supported by external advisors.

2. The Eastern Transfer Station Project (ETS) involves investigating the property, technical and legal matters associated with the securing of a suitable site in the east of the county.
  3. The Heat Exploitation Project (HEP) is looking at the potential for utilising the heat produced by the treatment facility and the technical and economic implications of this.
  4. The three New Barnfield Projects (NBESC, NBLIS, NBP) are concerned with the re-location of existing site users as well as the preparation of supporting information for any planning application.
  5. The Interim Waste Contracts (IWC) project is seeking suitable waste disposal / treatment arrangements to cater for the period between the end of current landfill contracts to the operational commencement of new treatment arrangements brought about by the PWP. An OJEU notice was published and bids received are now being evaluated.
- 2.3 Competitive Dialogue is complicated and resource-hungry. An internal team is in place and a fresh procurement exercise to recruit external advisors has been completed recently:-
- Financial – Ernst + Young
  - Legal – Sharpe Pritchard
  - Technical – Ramboll Whitbybird
  - Project Management – Mace
  - Communications – Camargue and Remarkable
- 2.4 The programme was subjected in February to a Gateway Review arranged by 4ps aimed at getting an external assessment of readiness to begin Competitive Dialogue. The conclusions were favourable and the programme was awarded an Amber / Green rating. The reviewers made positive comments about the widespread understanding of, and commitment to, the programme at all levels in the county council and the Hertfordshire Waste Partnership.
- 2.5 All eleven HWP authorities have given formal approval to the draft Intermediate Inter-Authority Agreement (IIAA). Documentation is being prepared so that each council has a copy of the signed and sealed papers.

### 3. Next steps

3.1 Following the award of Waste PFI Credits the county council has 2 years to complete procurement. This is a challenging timetable but one that external advisors have said is achievable with tight management. The timetable for competitive dialogue includes the following activities:-

- Official Journal of the European Union (OJEU) notice published on 14 April 2009 to alert the market to the county council's intention to procure residual waste treatment facilities and services.
- A Bidders Day was held on 21 April 2009. This event enabled the county council to inform the market of its procurement requirements, how it will evaluate bids and how it wishes to conduct Competitive Dialogue. Potential bidders sought clarifications to aid their response to Pre-Qualification Questionnaires (PQQ), which will need to be returned by 15 May 2009.
- A detailed evaluation of the PQQs will be undertaken during May and June 2009 to produce a short-list of bidders to be considered at the Invitation to Submit Outline Solutions (ISOS) stage.
- ISOS enables the county council to discuss specific issues with potential bidders. On the basis of their responses a further evaluation exercise will be undertaken to produce a short-list of 3-4 bidders, who will be Invited to Submit Detailed Solutions (ISDS). ISOS should be concluded by September 2009.
- ISDS will cover a period from September 2009 until about March 2010. During that time there will be detailed discussions with bidders on their proposals, which will be evaluated to produce a final short-list of 2 bidders that will invited to produce Final Tenders.
- The Final Tenders are planned to be submitted in October 2010 and, following evaluation, a Preferred Bidder will be appointed in January 2011. At this point Competitive Dialogue is closed.
- Contract close is expected to be by 31 March 2011.
- The selected contractor would be expected to submit a planning application (if required) from April 2011.

3.2 It is during Competitive Dialogue that solutions are developed and agreed and it is possible that New Barnfield and an eastern waste transfer station may not be required. However, given the tight timescale, the county council will still need to present New Barnfield as a viable site to the market and therefore work is required to address the town planning issues and ensure that it is vacant and available to the successful contractor. This position will not be clarified until the Call for Final Tenders in March 2010.

### 4. Governance, information and communications

4.1 The programme is overseen by a Procurement Board chaired by Richard Brown (the Project Executive) and to which Peter Davidson (the Programme Director) reports. Alan Gough (a Senior User)

represents the HWP's Directors Group on the Board. The Board meets at monthly intervals and for specific purposes on other occasions as appropriate. A detailed breakdown of Board roles and current membership is shown as Appendix B.

- 4.2 A Member Advisory Group tracks the work of the programme and links to the county council's Waste Management Cabinet Panel and the HWP's Member Group. Current membership is:-
- Derrick Ashley – HCC's Executive Member for Planning, External Relations + Waste
  - Sue Jones - member HCC's Waste Management Cabinet Panel
  - Terence Milner - representative of the HWP's Member Group
  - Terry Price - member HCC's Waste Management Cabinet Panel
  - Derek Scudder - member HCC's Waste Management Cabinet Panel

The Advisory Group meets at six-weekly intervals and on other occasions as appropriate.

- 4.3 Formal reports from the programme are made to the HWP Member, Directors and Heads of Waste Groups on a regular basis. The (redacted) OBC and supporting technical appendices are all available on-line at <http://www.hertsdirect.org/envroads/environment/waste/plans/docs/OBC/> together with earlier documents such as the Expression of Interest and Feasibility Study report.

- 4.4 Communications continues to be an integral part of the programme. A specific communications plan is in place for activity around the New Barnfield site, and a communications strategy for the Eastern Transfer Station is being developed. In addition there is joint work with the HWP's WasteAware group to develop a coordinated strategy to enhance existing WasteAware activities about the 3 Rs, while introducing the 4<sup>th</sup> R – Recover. An initial plan covering media relations, advertising, website development, campaign toolkit and a brand update was discussed at the WasteAware meeting in March and is now being worked up in more detail. The intention is to ensure full use is made of opportunities to encourage consumers to change behaviour by promoting the waste hierarchy as a whole and being clear about the role of any new treatment/disposal facilities. The April newsletter has been disseminated and a hard copy will be available at the Members' meeting on the 27 April.