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Tender

Milton Keynes Waste Recovery Plant Residual Waste Treatment Contract

Milton Keynes City Council

F02: Contract notice

Notice identifier: 2025/S 000-005883

Procurement identifier (OCID): ocds-h6vhtk-04e419

Published 19 February 2025, 2:51pm

Section I: Contracting authority

I.1) Name and addresses

Milton Keynes City Council

Civic Office 1 Saxon Gate East

Milton Keynes

MK9 3EJ

Email

corporateprocurement@milton-keynes.gov.uk

Telephone

+44 1908691691

Country

United Kingdom

NUTS code

UKJ12 - Milton Keynes

Internet address(es)

Main address

<https://in-tendhost.co.uk/milton-keynes.aspx/Home>

Buyer's address

<https://www.milton-keynes.gov.uk>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://in-tendhost.co.uk/milton-keynes.aspx/Home>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://in-tendhost.co.uk/milton-keynes.aspx/Home>

Tenders or requests to participate must be submitted to the above-mentioned address

Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at

<https://in-tendhost.co.uk/milton-keynes.aspx/Home>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Milton Keynes Waste Recovery Plant Residual Waste Treatment Contract

Reference number

2024-279

II.1.2) Main CPV code

- 90500000 - Refuse and waste related services

II.1.3) Type of contract

Services

II.1.4) Short description

Milton Keynes City Council (the 'Authority') invites expressions of interest from suitably qualified and experienced organisations in relation to its contract for the operation and maintenance of Milton Keynes Waste Recovery Park (MKWRP) (the 'Contract'). The MKWRP is an innovative, operational residual waste recovery facility comprising three adjoined and interlinked technologies: mechanical treatment, dry anaerobic digestion and advance thermal treatment, capable of processing up to 132,000 tonnes per year and providing critical infrastructure to deliver the Authority's statutory waste disposal functions. The Authority is seeking a contractor experienced in local authority residual waste management services to work in partnership and collaboration with the Authority to optimise the capacity, efficiency and overall performance of the MKWRP to achieve a design life up to at least 2042. Please see section II.2.4 below for further information.

II.1.5) Estimated total value

Value excluding VAT: £260,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 90500000 - Refuse and waste related services

II.2.3) Place of performance

NUTS codes

- UKJ12 - Milton Keynes

II.2.4) Description of the procurement

The procurement is for the Authority's contract for the operation, maintenance and treatment of residual waste at the MKWRP. The Authority is seeking a single integrated contract (with a single supplier or consortia) to provide the full scope of services, which include (without limitation) the operation and maintenance of the MKWRP, the management, acceptance, haulage, treatment, recovery and disposal of residual waste (including third party local authority waste), and outputs, the marketing and sale of third-party capacity and the marketing, generation and sale of electricity and heat (along with other ancillary services). The services also include entry into third party power purchase agreements in relation to electricity generated at the MKWRP and the maintenance of MKWRP's private wire and associated EV chargers at neighbouring Authority sites. During the Contract term, the Authority is keen to engage with the Contractor on opportunities for technological and commercial innovation and continuous improvement. In particular, the Authority wishes to explore the opportunities listed in Section II.2.11 below (the 'Anticipated Changes'). Further information about the MKWRP, the scope of services and the contractual arrangements applicable to this procurement are more particularly described in the Selection Questionnaire Pack ('SQP') and accompanying Procurement Documents (including the Descriptive Document and Background Information). Applicants are further referred to Section VI.3 (Additional Information) in this Contract Notice. Taking into account feedback gathered in market engagement, the Authority intends to enter into a multi-phased Contract, during which the Contractor will be provided with a platform to familiarise themselves with MKWRP before seeking opportunities to stabilise and then optimise the performance of the Facilities. The Authority is keen to draw on the knowledge, expertise and best practice of a contractor to achieve value for money and deliver on its strategic objectives for the MKWRP. It is intended that the risk profile, commercial model and incentivisation model will be adjusted as part of the phased approach so as to fairly allocate risk to the party best placed to manage it. The Authority wishes to dialogue with Bidders on the commercial and contractual principles of this phased approach as part of the procurement process. The Authority is conducting this procurement through the competitive dialogue procedure in accordance with Regulation 30 of the Public Contracts Regulations 2015 ('PCR'). Economic operators will need to register on the portal to participate and

registration is free. All documentation is available from and all communication is to be conducted via the portal at <https://in-tendhost.co.uk/milton-keynes/> (<https://in-tendhost.co.uk/milton-keynes/>) The Authority will implement the procurement in successive stages. Further information is set out in the SQP and Procurement Documents. To express interest, Applicants must complete and return responses to the Selection Questionnaire ('SQ') in accordance with the instructions set out in the SQP. The Authority will evaluate SQ Responses in accordance with its selection criteria set out in the SQP and (subject to there being sufficient competition) intends to invite all Applicants who 'pass' the SQ to participate in dialogue. The Authority intends to conduct dialogue with and invite Detailed Solutions and Final Tenders from those Bidders selected at SQ stage, but reserves the right to down-select Bidders at any time during the procurement. Once the Authority identifies the solution/solutions capable of meeting its needs, dialogue will be concluded and Bidders will be invited to submit a Final Tender before a preferred bidder is selected that represents the Most Economically Advantageous Tender. The Authority reserves the right to add or remove stages or revise this process.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £260,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

180

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: Yes

Description of options

Extension to the duration of the Contract: the initial term of the Contract is 10 years. The Authority reserves the right at its discretion to extend the term of the Contract for a further period of up to 5 years on notice. Anticipated Changes: The Authority reserves the right to introduce the following anticipated changes to the Services during the term of the Contract: Use of capital funding to support lifecycle replacement and improve MKWRP's efficiency and capacity for processing material and generating electricity/heat, with the intention to produce additional revenues from the sale of such electricity/heat (including by way of connection to a City-wide district heating network); Use of the biological treatment facility (via dry anaerobic digestion) to process separated food and garden waste from households; Use of the mechanical treatment facility to process mixed plastic, cans and glass separately collected from households; Explore opportunities to improve extraction of fossil-based carbon through the mechanical treatment facility to mitigate the impact of the UK Emissions Trading Scheme; Explore initiatives to stabilise and reduce contract waste volumes; Expand the private wire arrangements at MKWRP to power operational fleet vehicles and neighbouring consumers; Investigate the potential employment of bespoke modular complementary technologies to offset post treatment disposal costs; and Support future heat/electricity offtake models including private wire, synthetic, sleeved PPAs and heat offtake agreements.

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers

List and brief description of conditions

Selection criteria as stated in the procurement documents.

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

The particular conditions set out in the contract documents which shall be included in the invitation to participate in dialogue (made available in draft with the procurement documents published with this contract notice).

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive dialogue

IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

24 March 2025

Local time

12:00pm

IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates

11 April 2025

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 12 (from the date stated for receipt of tender)

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: Yes

Estimated timing for further notices to be published: 2041

VI.2) Information about electronic workflows

Electronic invoicing will be accepted

Electronic payment will be used

VI.3) Additional information

1. Unless otherwise defined in this Contract Notice, terms in this Contract Notice with an initial capital letter have the meanings given in the SQP. See SQP Table 1 (Glossary). 2. An Applicant may be a single organisation or a consortium. Both an Applicant that is a single entity and an Applicant that is a consortium may rely on the capacity and ability of a third party to meet the Minimum Standards at the SQ Stage. Please see the SQP for more guidance. An Applicant may only submit one SQ Response. 3. The Authority is procuring the Contract in accordance with the competitive dialogue procedure pursuant to PCR, reg. 30. The Authority is seeking to undertake a streamlined Competitive Dialogue process, but reserves the right add or remove stages and/or down select the number of Bidders at each stage. Applicants are referred to the SQP for further information on how the Authority intends to conduct the Competitive Dialogue. 4. The Authority reserves the right to transfer the Contract in whole or in part to another public body that during the term of the Contract assumes the Authority's responsibility to deliver waste disposal services in the Milton Keynes administrative area. 5. The estimated total value provided in Section II.1.5 is for the maximum Contract term of 15 years. In arriving at this value, the Authority has taken into account (without limitation) the estimated operational contract costs, the estimated capital investment to be made by the Authority (as will be managed by the Contractor) and the associated revenue including inflation, impact of growth and any service changes explored during dialogue. These costs have been netted against the Authority's estimated third party income into the Contract. The estimated total value does not account for the potential costs of the Anticipated Changes (and any other potential future changes) as these are not currently quantifiable and will be subject to feasibility assessments and business case approvals. All estimated values are to be treated as estimates only and do not constitute a guaranteed or cap on spend under the Contract. 6. The Authority is of the view that TUPE is likely to apply to some staff at Contract commencement but Bidders will be expected to undertake their own due diligence. 7. Applicants should note that the Procurement Documents marked as draft provide indicative information of the Authority's approach to the procurement at this stage and are for information only. The Authority reserves the right to vary, amend and update any aspect of the draft Procurement Documents prior to the submission of Final Tenders. 8. The Authority reserves the right to omit, amend or recalibrate any part of the services or technical service standards at any stage and to require those Bidders remaining in the process at that stage to adjust their bids accordingly without reverting back to previous stages. The Authority reserves the right to abandon this procurement process at any stage and/or not to award the opportunity or to award only part (or an extended or different arrangement) of the opportunity described in this Contract Notice. The Authority reserves the right to vary its requirements and the procedure relating to the conduct of the award process. The Authority reserves the right to disqualify any Applicants on terms set out in the SQP. 9. A response to this Contract Notice does not guarantee that an Applicant will be invited to participate in the Competitive Dialogue stage.

The award process may be terminated or suspended at any time without cost or liability to the Authority. The Authority does not bind itself to enter into any Contract arising out of the procedures envisaged by this Contract Notice. No contractual rights express or implied arise out of this Contract Notice or the procedures envisaged by it.¹⁰ Economic operators are entirely responsible for their costs and losses incurred or arising as a result of any participation in this procurement process

VI.4) Procedures for review

VI.4.1) Review body

High Court Royal Court of Justice

London

WC24 2LL

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

The Council will incorporate a minimum 10 calendar day standstill period at the point information on the award of the Contract is communicated to tenderers. Applicants who are unsuccessful shall be informed by the Contracting Authority as soon as possible after the decision has been made as to the reasons why the Applicant was unsuccessful. Applicants may seek further clarification from the Contracting Authority following receipt of this information and the Contracting Authority will provide further clarification as appropriate. If any clarification regarding the award of the Contract has not been successfully resolved, an Applicant can consider its option under the Public Contracts Regulations 2015. Applicants would need to obtain their own legal advice.