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Planning

## **Market engagement on proposed lotting structure for upcoming procurement for a Dry Recycling Contract (DRC) in accordance with the statutory duties of the East London Waste Authority (ELWA).**

East London Waste Authority

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2026/S 000-014917

Procurement identifier (OCID): ocds-h6vhtk-05916d ([view related notices](#))

Published 18 February 2026, 3:52pm

### **Scope**

#### **Description**

ELWA conducted initial preliminary market engagement in respect of its forthcoming competitive flexible procurement of a Dry Recycling Contract (DRC) in September and October 2025 (Notice reference: 2025/S 000-052844 for further details).

As part of the exercise, ELWA published a Market Operator Briefing Note in which it explained that the main objective of the DRC contract is to maximise recycling of dry recycling materials. In the Briefing Note, ELWA explained that the 2024-25 dry recycling tonnage for the four Constituent Councils was 52,859 tonnes. This tonnage has been modelled for the Joint Strategy using 35% reuse and recycling rates at approximately 54,000 tonnes for 2028/29.

ELWA also stated in the Briefing Note that it was unlikely to sub-divide the contract into lots based on tonnage, but asked market operators for their views on benefits of subdividing the contract into lots.

ELWA had 7 respondents to this initial PME, and in respect of sub-division into lots, the majority of respondents expressed a preference for sub-division. However, operators expressed different preferences into how these lots should be structured.

For example, options presented included:

- Creating lots based on different material streams (e.g. one for twin-steam/source segregated materials and 1 for general DMR); and
- Splitting lots by reference to geographical boroughs.

Respondents also provided their minimum and maximum processing capacities.

In preparing for the launch of this procurement in April 2026, ELWA seeks views from the market in respect of the lotting structure for the procurement on the points included in the "Engagement Process Description" of this notice.

### **Total value (estimated)**

- £52,668,000 excluding VAT
- £63,201,600 including VAT

Above the relevant threshold

### **Contract dates (estimated)**

- 23 December 2027 to 31 March 2033
- Possible extension to 31 March 2038
- 10 years, 3 months, 9 days

### **Main procurement category**

Services

## **CPV classifications**

- 90513000 - Non-hazardous refuse and waste treatment and disposal services
- 90514000 - Refuse recycling services

## **Contract locations**

- UKI41 - Hackney and Newham
- UKI5 - Outer London - East and North East

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## **Engagement**

### **Engagement deadline**

27 February 2026

### **Engagement process description**

In preparing for the launch of this procurement in April 2026, ELWA has ruled out the potential for splitting the contract into lots by reference to geographical boroughs and therefore seeks views from the market in respect of the following lotting/contract options:

1 - If ELWA does not divide the contract into lots, and seeks to procure a single contract for exclusivity of all dry recycling material, would your organisation participate in the procurement and be able to process 100% of the total estimated annual tonnage?

2 - If ELWA does divide the contract into lots, it has considered whether to divide the contract into lots based on exclusivity % of the total estimated annual tonnage. E.g. lots for 25%, 50%, 75% or 100% of the total estimated annual tonnage. If ELWA adopts this approach, it seeks feedback from market operators as to:

- their preferred exclusivity % of ELWA's annual tonnage, and which of the below options respondents would bid for;

- two lots: one of 75% exclusivity of ELWA's annual tonnage and one for 25% exclusivity, with suppliers able to bid for and subsequently win either lot, resulting in either one or two suppliers being selected; and

- two lots: one for 50% exclusivity of ELWA's annual tonnage and one for 25% exclusivity, with suppliers able to bid for and subsequently win either lot, resulting in a minimum of two suppliers (if the winner of the 50% lot also wins the 25% lot + one other 25% supplier) or three suppliers if there is one winner of the 50% lot and 2 bidders from the 25% lot); ELWA could also reserve the right to discontinue the 25% lot if it receives a number of bids for the 50% lot (subsequently resulting in two suppliers each being awarded 50% exclusivity).

3 - As an alternative to lots, ELWA could structure the procurement so that bidders submit proposals on the assumption that an award for 25% exclusivity of ELWA's annual tonnage will be made. However, the highest-scoring bidder is able to confirm whether it wishes to have 25%, 50%, 75% or 100% exclusivity. In the event the highest-scoring bidder selects 75%, 50% or 25%, the second highest-scoring bidder is able to select what % exclusivity it wishes to deliver, and so on until 100% exclusivity has been awarded. This approach could result in 1 - 4 suppliers being awarded a % of exclusivity of ELWA's annual tonnage. Pricing for exclusivity % higher than 25% (e.g. 50%, 75% or 100%) will be calculated by multiplying the successful bidder's tendered pricing for 25% exclusivity by the % exclusivity it will actually deliver (e.g. 75% exclusivity = tendered pricing multiplied by 3).

4 - ELWA also welcomes feedback on a proposal to have a sifting stage where bidders confirm which lot they are interested in, prior to submitting the Procurement Specific Questionnaire/Conditions of Participation. ELWA would then confirm the lots based on maximising participation in the procurement (and to reduce the burden on bidders in the event lots are discontinued following the Conditions of Participation stage).

ELWA would appreciate responses to these questions being submitted to [enquiries@eastlondonwaste.gov.uk](mailto:enquiries@eastlondonwaste.gov.uk) by 17:00 on by Friday 27 February 2026, with the subject heading "DRC Lotting PME".

ELWA appreciates the time and effort of respondents in participating in this PME exercise.

Market operators may submit any clarification questions, enquiries or further information regarding the conduct of the preliminary market engagement to ELWA to [enquiries@eastlondonwaste.gov.uk](mailto:enquiries@eastlondonwaste.gov.uk).

Though encouraged, engagement in this preliminary market engagement exercise is not a requirement for participation in the forthcoming procurement, which shall be formally commenced through publication of a Tender Notice.

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## Submission

### Publication date of tender notice (estimated)

7 April 2026

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## Contracting authority

### East London Waste Authority

- Public Procurement Organisation Number: PRPW-4339-XHTY

11 Burford Road

London

E15 2ST

United Kingdom

Email: [enquiries@eastlondonwaste.gov.uk](mailto:enquiries@eastlondonwaste.gov.uk)

Region: UKI41 - Hackney and Newham

Organisation type: Public authority - sub-central government

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## Other organisation

These organisations are carrying out the procurement, or part of it, on behalf of the contracting authorities.

### London Borough of Barking and Dagenham Council

Summary of their role in this procurement: The procurement will be hosted procurement on the London Borough of Barking & Dagenham's eTendering portal:

<https://lbbd.bravosolution.co.uk/web/login.shtml>

- Public Procurement Organisation Number: PPYP-9821-RZGJ

1, Town Square

Barking, London

IG11 7LU

United Kingdom

Email: [procurementCDP@lbbd.gov.uk](mailto:procurementCDP@lbbd.gov.uk)

Region: UKI52 - Barking & Dagenham and Havering

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## Contact organisation

Contact East London Waste Authority for any enquiries.