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Award

Somerset County Council Waste Project

Somerset County Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-020270

Procurement identifier (OCID): ocids-h6vhtk-0355d6

Published 26 July 2022, 10:38am

Section I: Contracting authority/entity

I.1) Name and addresses

Somerset County Council

County Hall

Taunton

TA1 4DY

Contact

Vicky Woodland

Email

vwoodland@somerset.gov.uk

Telephone

+44 1823355118

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+44 1823355758

Country

United Kingdom

NUTS code

UKK23 - Somerset

Internet address(es)

Main address

<https://www.somerset.gov.uk/>

Buyer's address

<https://www.somerset.gov.uk/>

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

Somerset County Council Waste Project

Reference number

DN624159

II.1.2) Main CPV code

- 90500000 - Refuse and waste related services

II.1.3) Type of contract

Services

II.1.4) Short description

Somerset County Council ("Council") awarded a contract to Viridor Waste Management Limited ("Viridor") in 2006 following a procurement for project management services for the delivery of the Council's municipal waste strategy and its landfill directive obligations to divert biodegradable municipal waste from landfill (the "Contract"). The procurement was advertised in OJEU Contract Notice (2004/S 204-174980). This also encompassed the delivery of waste services and development of new waste treatment facilities - details can be found in the OJEU Contract Notice.

Viridor has subsequently changed its name to Valencia Waste Management Limited ("VWML").

The Council is intending to enter into a novation agreement with Syracuse Waste Limited (No. 13269384) ("Syracuse") which is a contractor successor to VWML. This will result in Syracuse replacing VWML as the party to the Contract for the remainder of the term.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £288,000,000

II.2) Description**II.2.2) Additional CPV code(s)**

- 71800000 - Consulting services for water-supply and waste consultancy
- 79723000 - Waste analysis services
- 90500000 - Refuse and waste related services

II.2.3) Place of performance

NUTS codes

- UKK23 - Somerset

II.2.4) Description of the procurement

The Contract was entered into on 14 May 2006 for a duration of 191 months with an est. value of £288m (and a max. duration of 299 months) for the services referred to above. The proposed novation will not seek to extend the duration beyond the max. duration of the Contract and will expire on 31 Mar 2031.

Viridor transferred the resources, assets and staff (engaged in providing the services) into a newly created wholly-owned subsidiary, Syracuse, on 31 Jul 2021.

On 31 August 2021 Biffa Waste Services Limited acquired the entire share capital of Syracuse.

The Council intends to novate the Contract to Syracuse with the remaining term running until 31 Mar 2031. The novation will take place no earlier than the expiry of 10 days from the publication of this notice.

The £288m value in II.1.7) represents the est. value of the Contract when it was entered into on 14 May 2006 on the basis of a ~£17m value per annum across 191 months. See II.2.14) for details of est. remaining value.

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

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

II.2.14) Additional information

The Contract has an initial term of 191 months (~16 years) with an option to extend for 9 years (which has been invoked).

The remaining term on the novated Contract will be ~108 months with an estimated remaining value of £115m on the basis of ~£12m value per annum. The per annum value is lower due to the March 2017 variation that removed residual waste treatment and disposal from the services.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

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

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Title

Somerset County Council Waste Project

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

13 May 2019

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Syracuse Waste Limited

Coronation Road, Cressex

High Wycombe

HP12 3TZ

Country

United Kingdom

NUTS code

- UKJ1 - Berkshire, Buckinghamshire and Oxfordshire

The contractor/concessionaire is an SME

No

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Initial estimated total value of the contract/lot/concession: £115,000,000

Total value of the contract/lot/concession: £288,000,000

Section VI. Complementary information

VI.3) Additional information

- V20 – execution of the contract extension clause in lieu of financial savings for the Council. Minimal operational impact and annual contract saving ranging from £300k in 2018/19 to £800k per annum from 2022/23 to the extent of the contract. Other modifications include a rebase of the minimisation bonus, revised agreement of how to share future contract savings, temporary increase in the contractor default cap and a further modification in recycling site operational hours
- V21 – Anaerobic Digestion Services. Price amendment for additional tonnages to assist in budget reductions. No operational impact.
- V22 variation to formally capture existing practices in to the contract. Minor operational impacts. No financial implications

VI.4) Procedures for review

VI.4.1) Review body

High Courts of Justice

The Royal Court of Justice, The Strand

London

WC2A 2LL

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

In accordance with Chapter 6 of the Public Contracts Regulations 2015 (as amended) (Regulations 88 to 104)

Continued from Annex D1:

- V1 – CCTV Protocol – minor amendment to reflect use of new CCTV equipment. Minor operation scale. No financial impact

- V2 – Williton Transfer – Council's decision to not proceed with the provision of a transfer facility. Service reduction with minimal operational impact. No additional contractual financial cost
- V3 – Dimmer Compost Price – rationalisation of original contract banded pricing to a single price point. No operational or financial impact. Minor amendment.
- V4 – Poole Transfer – Council decision to remove a delivery point location. Service reduction with minimal operational impact and no additional contractual financial cost
- V5 – HWRC Opening Hours – Council decision to reduce recycling site operating hours. Saving of £165k per annum. Minimal impact to service whilst minimising budget reductions
- V6 – Closed Landfill Management – variation to formally incorporate this service within the Core Services Contract. Continued operational service. No financial impact
- V7 – Chard HWRC Replacement – transition of site location following the Council build out of a new facility. Minimal operational impact, signposted within the Core Services contract. Financial increase in site management fee of circa £41k per annum
- V8 – Dimmer In Vessel Price – price adjustment following the extinction of Defra funding amounting to an increase of £17.54 per tonne in the cost of treating food waste. No operational impact
- V9 – Inert Waste Disposal Rate - contract rate change following a revaluation of the cost of landfill remediation and aftercare. No operational impact. Minor contractual cost increase of £2.50 per tonne for the treatment of inert contractual waste
- V10 – Recycling Centre Opening Times – Council decision to reduce recycling site operating hours. Saving of £291k per annum. Minimal impact to service whilst minimising budget reductions
- V11 – Community Recycling Sites – Council decision to avoid site closures through making budget reductions in designating 4 of the 18 Somerset recycling sites as community recycling sites (thereby being a discretionary rather than statutory provision). Imposing a gate fee for residents to use those facilities
- V12 – Recycling Centre Commodity Charging – removal of contractual payment terms for hardcore, tyres & gas bottles. Allowing contractor to introduce charging for these non-household items at the Recycling Centres in order for the Council to make budget reductions (circa £200k per annum)
- V13 – Pre payments – agreement to pre pay the contractor on a quarterly in advance

basis, in order to gain some financial cash flow benefit. Council decision to be able to make budget reduction of circa £100k per annum

- V14 – CRS Closures & Opening Times – Council decision to close 2 community recycling sites, previously provided as a result of VO11 and to increase recycling site opening hours previously set by VO10. Minor operational impact and a reduction in budget savings provided by VO10 of £80k per annum
- V15 – GDPR – updating the contract from DPA to GDPR. No operational or financial impact
- V16 – waiver to provide a PCG in lieu of a bond. No operational impact.
- V17 – provision of a PCG releasing financial savings. No operational impact.
- V18 – residual waste treatment and disposal removed and captured in separate contract.
- V19 – replacement of IVS services with AD for food waste treatment recognizing improved processing technology and budget reductions.

Continued in VI.3)