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Contract

Contract for the Treatment of Post 2020 Residual Waste

Leicestershire County Council

F03: Contract award notice

Notice identifier: 2022/S 000-029629

Procurement identifier (OCID): ocds-h6vhtk-03777d

Published 20 October 2022, 2:59pm

Section I: Contracting authority

I.1) Name and addresses

Leicestershire County Council

County Hall, Leicester Road, Glenfield

Leicester

LE3 8RA

Contact

Mrs Kay Springthorpe

Email

Kay.Springthorpe@leics.gov.uk

Telephone

+44 1163050375

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.eastmidstenders.org/index.html>

Buyer's address

<https://www.eastmidstenders.org/index.html>

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**

Contract for the Treatment of Post 2020 Residual Waste

Reference number

DN379327

II.1.2) Main CPV code

- 90500000 - Refuse and waste related services

II.1.3) Type of contract

Services

II.1.4) Short description

Contract for the Treatment of Post 2020 Residual Waste

II.1.6) Information about lots

This contract is divided into lots: No

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

Lowest offer: £150,000,000 / Highest offer: £650,000,000 taken into consideration

II.2) Description

II.2.2) Additional CPV code(s)

- 90510000 - Refuse disposal and treatment
- 90513000 - Non-hazardous refuse and waste treatment and disposal services

II.2.3) Place of performance

NUTS codes

- UKF11 - Derby
- UKF12 - East Derbyshire
- UKF13 - South and West Derbyshire
- UKF14 - Nottingham
- UKF22 - Leicestershire CC and Rutland
- UKG13 - Warwickshire
- UKG24 - Staffordshire CC

II.2.4) Description of the procurement

The contract is for the treatment of residual waste.

The contract will be primarily for residual waste arising within Leicestershire but may include waste that arises from other Waste Disposal Authorities.

The potential total contract value could therefore vary from between 150 000 000 GBP to 650 000 000 GBP over the potential twenty five year period and subject to the total tonnage treated.

Leicestershire currently manages household waste through a two-tier authority system with seven Waste Collection Authorities (WCAs) and one Waste Disposal Authority (the Council).

The procurement for the Treatment of Post 2020 Residual Waste was run by Competitive Dialogue process with 3 stages of dialogue.

Stage 1 ISOS 70% Quality 30% Price of which there was 7 bidders.

Stage 2 ISDS 50% Quality 50% Price of which there was 5 bidders.

Stage 3 ISTF 30% Quality 70% Price of which there were 2 bidders.

The contract has a minimum duration of 8 years but with the option for the Council to extend by periods of one or more years to a maximum of 25 years.

II.2.5) Award criteria

Quality criterion - Name: Quality / Weighting: 30

Price - Weighting: 70

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

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive dialogue

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.2.1) Previous publication concerning this procedure

Notice number: [2019/S 000-000057](#)

Section V. Award of contract

Title

Treatment of Post 2020 Residual Waste

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

19 October 2022

V.2.2) Information about tenders

Number of tenders received: 2

Number of tenders received from SMEs: 0

Number of tenders received from tenderers from other EU Member States: 0

Number of tenders received from tenderers from non-EU Member States: 0

Number of tenders received by electronic means: 2

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

V.2.3) Name and address of the contractor

Biffa Waste Services Ltd

Cressex Head Office, Coronation Road

High Wycombe

HP12 3TZ

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor is an SME

No

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

Lowest offer: £150,000,000 / Highest offer: £650,000,000 taken into consideration

Section VI. Complementary information

VI.3) Additional information

This contract opportunity was published in the OJEU by way of a Contract Notice on 9 July 2019 (ref 2019/S 130-319454). The contract entered into with the winning supplier is within the scope of the above Contract Notice.

As set out in more detail below, the Council and the Contractor agreed to some modifications to the contract prior to contract signature. The agreed modifications fall within the scope of negotiations that are permitted in accordance with Regulation 30(20) of the Public Contracts Regulations 2015 (PCR 2015).

The Council has agreed to remove the restriction on the indexation mechanism which limited the contractual annual price increase to no more than 3%. This is balanced by a right for the Council to assess the cost viability at specific points during the contract before the end of the minimum term of the contract (2031) using a benchmarking process and subsequently either:

1. reduce the rate per tonne; or
2. lower the tonnage guaranteed by the Council by up to 20,000 tonnes per annum; or
3. terminate the Contract earlier than 2031.

This change reflects the fact that the current economic circumstances (in which the contract is being signed) are very different compared to those that were present at the time the procurement was advertised and dialogued. Whilst a rise in indexation was possible, the present global circumstances have caused inflation to increase to a degree that was unforeseen. Under Regulation 72(1)(c) a modification can be made as a result of circumstances which a diligent contracting authority could not have foreseen. The modification does not alter the overall nature of the contract and any increase in price does not exceed 50% of the value of the original proposed contract.

In addition to the above the following changes have been made to the Contract:

- The guaranteed annual tonnage under the contract has been amended to 40,000 from the 45,000 tonnes as advertised in the OJEU Notice which is an insubstantial reduction that gives the Council additional flexibility.
- One element of the Secondary Waste Types has been reclassified as a Primary Waste Type (shredded non-size limited) which will create costs savings for the Council.

- The contract commencement date remains between 01/04/2021 and 01/04/2023 as advertised but during this period there will be a commissioning period whereby a limited amount of waste is due to be delivered to Contractor's facility.

These changes are to the benefit of the Council, do not materially modify essential aspects of the tender or the procurement and do not risk distorting competition or causing discrimination.

VI.4) Procedures for review

VI.4.1) Review body

High Court of Justice

London

WC2A2LL

Country

United Kingdom