

South West Devon Waste Partnership

Thursday 16 December 2010

PRESENT:

Councillor Butt, in the Chair.
Councillor Michael Leaves, Vice Chair.
Councillors Bowyer, Croad and Hart.

Observer Members: Councillor Doggett and Vincent.

Apologies for absence: Councillor Carroll.

Also in attendance: Barry Keel, Chair of Project Executive; Mark Turner, Project Director; Martin Pollard, Project Manager; Ben Jennings, County Waste Manager, Devon County Council; Ian Harrison, Deputy Executive Director of Environment, Economy and Culture, Devon County Council; Sally Farley, Service Manager, Torbay Council; Charles Uzzell, Environment Commissioner, Torbay Council; Dominic Measures, Devon Audit Partnership; Liz Waugh, Communications Consultant; Rachel Galbraith, PFI Project Co-ordinator; Ross Johnston, Democratic Support Officer.

The meeting started at 2pm and finished at 4pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

27. INTRODUCTIONS AND APOLOGIES

Councillor Dave Butt welcomed members to the meeting.

28. DECLARATIONS OF INTEREST

There were no declarations of interest.

29. MINUTES

Agreed that the minutes of the meeting of the South West Devon Waste Partnership Joint Committee held on Thursday 28 October 2010 are confirmed as a correct record.

30. CHAIR'S URGENT BUSINESS

OPTION SEVEN UPDATE

Ben Jennings, County Waste Manager gave a presentation on Option 7 as requested at the Partnership's meeting held on 28 October 2010. Members were informed that –

- (a) Option 7 was an alternative solution based on the Energy Park proposal by Peterborough Renewable Energy Ltd and had been suggested as an alternative solution to energy from waste by the local opposition group called Devon

Alliance for Incineration Alternatives (DAIA);

- (b) the Peterborough proposal was not yet in construction and its exact configuration was not yet finalised. It was primarily a biomass energy generation facility, where biomass (coppicing, waste wood and farm residues) was to be combusted to produce electricity;
- (c) the claimed benefits of the Option 7 proposal included –
 - Cleaner: plasma vitrification, the process used in Option 7, treated all bottom and fly ash and provided a cleaner inert aggregate than a mass burn incinerator. This process could be used in conventional energy from waste but it did have a very large energy demand;
 - Cleaner: Nitrogen Oxide emissions were reduced from plasma vitrification;
 - Greener: It should allow slightly more material to be recovered but would require wholesale changes to current collection arrangements if used by the Partnership;
 - Cheaper: No evidence to substantiate this claim;
- (d) the Peterborough proposal was a thermal combustion energy generating plant and not a waste treatment facility although it had many similarities to a conventional energy from waste in terms of involving combustion, emissions, controls, compliance, etc. It needed a very large site to operate economically. Plasma vitrification was an unproven process that was not used on a large scale at present in the UK, in contrast the Partnership was opting to use a process, which was proven and reliable;
- (e) Peterborough Renewable Energy Ltd had not registered an interest in bidding for the Peterborough Council residual waste contract;
- (f) SUST-N, a local company in Devon, were undertaking a feasibility study of using biomass in a commercial business in the future.

The Chair thanked Ben Jennings, Project Officer for his presentation.

Agreed that a copy of the presentation be emailed to all members

31. **PROJECT UPDATE**

The Partnership received a Project Update Report from the Project Director. Members were informed that –

- (a) the Call for Final Tenders were received by the Partnership on 5 November 2010;
- (b) the Tenders were checked and subsequently evaluated by the Project Team with the process witnessed and verified by the Devon Audit Partnership;
- (c) the Partnership were working closely with the Department for Environment, Food and Rural Affairs (DEFRA) preparing the Final Business Case, which would be submitted to the three authorities for their approval in February 2011, once approved by DEFRA.

32. **OVERVIEW OF PROJECT COMMUNICATIONS**

The Partnerships Communication Consultant gave an update on recent and upcoming communication activity. Members were informed that –

- (a) communications over the past two month's had been dominated by the DAIA proposal known as Option 7;
- (b) an all councillor presentation was given on the 27 October. Upon request, a further presentation was provided to some Plymouth councillors who were unable to attend the main presentation. Devon County Council's Cabinet and Corporate Leadership Team had also been briefed which concluded the Cabinet and senior officer briefings for the three authorities;
- (c) in January 2011 a press release announcing the preferred bidder would be made;
- (d) information on the preferred bidder and how the process would develop would be provided by a selection of roadshows to be held in early 2011.

33. **CALL FOR FINAL TENDERS EVALUATION PROCESS**

Mark Turner, Project Director and Martin Pollard, Project Manager gave a presentation evaluating the Call for Final Tenders (CFT) stage of the procurement process. Members were informed that –

- (a) the Joint Working Agreement approved by all three authorities in April 2008 had given the Joint Committee the authority to select the preferred bidder;
- (b) the decision to select the preferred bidder needed to be within the approved affordability agreed in 2008 which was £1.582 billion. Both bids received were within the agreed budget and this had been confirmed by S151 Officers;
- (c) the evaluation methodology for the Call for Final Tenders stage was agreed at the Partnership's meeting in July 2010;
- (d) bids were scored against many different criteria using a pre-determined scoring methodology; the quality of the bids were assessed under six key elements which were weighted as follows –
 - technical 27 per cent;
 - planning 25 per cent;
 - environmental 10 per cent;
 - deliverability 5 per cent;
 - financial 18 per cent;
 - legal 15 per cent;
- (e) the summed scores from the six elements gave the bidders a Quality score out of 100;

- (f) each bid price was similarly assessed against a predetermined methodology to arrive at a Price score which was then added to the quality score;
- (g) the highest scoring bid would be the most economically advantageous tender and this bidder would be recommended to the Joint Committee for Preferred Bidder appointment.

Before the Partnership deliberated on the Preferred Bidder in Part II, Councillor William Mumford, Devon County Council was offered the opportunity to address the Partnership. He provided an open letter and informed members that –

- (h) he had been representing the constituents in the county division where the Viridor plant was proposed and had been inundated with concerns regarding the proposal over the last two years;
- (i) recent developments regarding alternative solutions to dealing with the waste, including the proposal known as Option 7, should be considered further by the partnership. However, given the late stage of the procurement process if the Partnership felt it necessary to accept a solution that used a mass burn incinerator then key issues should be considered including;
- (j) the incinerator should try to gainfully use both heat and power;
- (k) the transportation of waste and its impact on road usage varied considerably between the two proposed sites;
- (l) the proximity principle of the waste being treated by the facility and associated transportation miles;
- (m) the environmental impacts on the locations.

Councillor William Mumford was thanked for his attendance. It was reported by the Chair that this was the first time any member of the public had expressed an interest in addressing the Joint Committee.

34. **DATE AND LOCATION OF NEXT MEETING**

Agreed that the Partnership Secretary would arrange for the next meeting to be rescheduled to the beginning of April 2011 and be held in Exeter at a venue to be confirmed.

35. **EXEMPT BUSINESS**

Agreed that, under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

36. **PRESENTATION OF EVALUATION RESULTS AND EVALUATION REPORT (E3)**

Mark Turner, Project Director and Martin Pollard, Project Manager presented a summary of the results from the Call for Final Tenders (CFT) stage of the procurement process and the evaluation of the verification process. Members were informed that –

- (a) competitive dialogue with the bidders was closed on 6 October 2010 and the CFT stage was issued on 8 October 2010. The Tenders were received by the two bidders on 5 November 2010;

- (b) the Tenders were evaluated in line with the approved process by the Project Team including specialist advisors who assessed the bids against the agreed evaluation criterion. The evaluation considered the bids against the following quality elements Technical, Planning and Licensing, Environmental, Deliverability, Commercial and Financial and Legal and Contractual. The bids were further evaluated against economic cost and affordability to determine a Price score which was then added to quality score;
- (c) the evaluation undertaken by the project team was witnessed and examined by the Devon Audit Partnership and a report had been provided to confirm that the evaluation was robust and conducted with fairness and impartiality throughout;
- (d) the Section 151 Officers from the three authorities had also confirmed that the two bids received as part of the Call for Final Tenders were within the affordability envelope, which was agreed by the three authorities in 2008.

Agreed that the recommended bidder who submitted the most economically advantageous tender as assessed by the Call for Final Tender evaluation criteria is appointed as the Preferred Bidder for the South West Devon Waste Partnership's residual waste treatment solution.

37. **PROJECT PROCUREMENT PROGRAMME (E3)**

Mark Turner, Project Director presented the latest procurement programme. Members were informed that –

- (a) following DEFRA's endorsement of the draft Final Business Case the Preferred Bidder would be able to be formally announced, this was likely to be in early January 2011 subject to DEFRA approval. Once endorsed by DEFRA a written briefing would be provided to all councillors;
- (b) the Final Business Case would be an extremely commercially sensitive document which would need to be signed off by the three authorities' Cabinet's in February 2011; a public version of the Final Business Case would also be published;
- (c) a request by the joint scrutiny panel to scrutinise the Final Business Case could be accommodated, however, only the publicly available document could be reviewed due to the high commercial sensitivity;
- (d) as the three authorities operate the functions of scrutiny differently the Monitoring Officers' of the respective authorities were being consulted to ensure that clear understanding of the process and to adopt a consistent approach if possible to scrutiny requests.

On behalf of the Joint Partnership the Chair thanked Mark Turner, Project Director, Martin Pollard, Project Manager and all the project team for the excellent and detailed work put into the project.

Agreed that the latest procurement programme is noted.