



MERSEYSIDE WASTE DISPOSAL AUTHORITY

**At a Special Meeting of the Authority
held on Thursday 18th April 2013**

Present : Councillor J De Asha
 Councillor G Morgan
 Councillor I Williams
 Councillor S Williams
 Councillor T Concepcion
 Councillor S Munby
 Councillor R Oglethorpe
 Councillor K Cluskey
 Councillor P Hardy
 Councillor S Nelson (Observer Status)

65. **Apologies for Absence**

There were no apologies for absence.

66. **Declarations of Interests by Members and Officers**

There were no declarations of interest.

67. **Exclusion of the Public**

Resolved that the public be excluded from the meeting during consideration of the following item for the reason stated:

<u>Minute</u>	<u>Reason (under the Local Government Act 1972)</u>
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68	Exempt information relating to the financial or business affairs of any particular person (Para 3 of Schedule 12A)
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68. **Resource Recovery Contract (RRC) Procurement**
Appointment of Preferred Bidder
WDA/13/13

The Authority considered a report which provided Members with the information they require to select the Preferred Bidder for the Resource Recovery Contract (RRC).

Members read and gave careful consideration to the confidential report of the Chief Executive and Treasurer which explained the conclusions reached in the evaluation of the final submissions from SITA and Covanta. They had the benefit of presentations from Officers at the meeting and in addition a number of appendices were attached to the report explaining the tender evaluation approach.

Members noted the evaluation scores which took account of a range of issues including requirements in respect of service delivery and technical solutions, sustainability, financial matters, legal and contractual obligations and the overall integrity of the bidders' proposals. The report confirmed that both bidders had achieved high scores in the technical and sustainability evaluation, whilst there were greater differences in the other categories of core criteria for example legal and contractual and overall integrity. The report also set out a number of risks connected with the Covanta proposal.

The recommendation in the report of the Chief Executive and Treasurer was that the Authority should continue with the evaluation and appoint SITA as the preferred bidder, since their solution provides an acceptable and affordable solution, representing the most economical and advantageous tender which has been presented.

The report and supporting documents also reflected legal and financial advice which Members gave consideration to. It was noted that the report and all supporting documents are and remain strictly private and confidential and that their disclosure may prejudice the interests of MWDA and, indirectly, the levy paying authorities.

Having carefully considered the report and supporting legal, technical and financial advice, Members agreed the following resolutions proposed by the Chairman.

The Authority **resolved** that:

1. Members acknowledge that the government has withdrawn Waste Infrastructure Credits;

2. Members agree that the Resource Recovery Contract procurement should proceed despite the withdrawal of Waste Infrastructure Credits;
3. the outcome of the evaluation process be accepted;
4. it be confirmed that the SITA proposal is affordable;
5. SITA be appointed as the preferred bidder;
6. delegated authority be granted to the Chief Executive to complete the drafting of the final contractual terms with SITA and report back to the Authority prior to financial close;
7. Members agree to reject the Covanta proposal as unacceptable to the Authority on the basis of the Tender Evaluation outcome;
8. additionally, and in any event, the Authority concludes that it would not enter in to a contract with Covanta on the basis of its proposal and in particular certain aspects thereof (individually and cumulatively), as it would be irrational, not in accordance with its fiduciary duties and accordingly unlawful to do so, as summarised in paragraphs [11.7, 11.8 and 11.9] of the report. Members agree that Covanta be informed of this decision and the aspects referred to;
9. separately to the above, Covanta be informed that its proposals raise significant concerns in relation to State Aid; and
10. it be noted that the report is and remains confidential and that any announcement in relation to the appointment of a preferred bidder is stock market sensitive and therefore embargoed until 9 am BST Friday 19th April 2013.

Members took the opportunity to thank both the bidders for the time and effort they had put into the submission of their proposals. A note of thanks was also given to officers involved in the procurement and to Members for their deliberations.