FUTURE WASTE SERVICES EVALUATION REPORT WDA/29/26

Recommendation

That Members:

1. Approve the evaluation criteria in respect of the forthcoming procurement of a new Materials Recovery Facility; and

2. Note that a separate evaluation report will be presented to members early in 2027 in respect of the procurement of a new contract to manage the Authority's Waste Transfer Stations, Household Waste & Recycling Centres and associated haulage.

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FUTURE WASTE SERVICES EVALUATION REPORT WDA29/26

Report of the Chief Executive

1. Purpose of the Report

1.1 To seek members' approval of the evaluation criteria in respect of the forthcoming procurement of a new Materials Recovery Facility (MRF).

1.2 To note the potential evaluation criteria in respect of a new contract to manage the Authority's Waste Transfer Stations, Household Waste & Recycling Centres and associated haulage - prior to a separate evaluation report being presented to members early in 2027 for approval.

2. Background

2.1 The Authority's Waste Management & Recycling Contract (WMRC) expires on 31 May 2029. As a result, it is seeking to procure new contracts that will separate the current service into:

- Package 1: HWH – comprising of the HWRCs, Waste Transfer Stations and Haulage
- Package 2: MRF – a new build Materials Recovery Facility
- Package 4: Food Waste (Merchant Contract)[1]

2.2 The rationale was set out in the Outline Business Case in respect of the Authority's Future Waste Services (FWS) procurement approved by members on 24 April 2026.

2.3 This report follows the members' evaluation workshop held on 13 November and sets out the proposed evaluation methodology in respect of Packages 1 and 2.

2.4 It is necessary to finalise the evaluation methodology for each contract prior to the commencement of procurement. For the MRF contract this is anticipated to be January 2027 and for the HWH contract, April 2027.

[1] The Outline Business case included a proposal for Garden Waste (Package 3) but this is not part of the current WMRC.

Key areas of the report

3. MRF

3.1 The high level evaluation criteria is set out below. A more detailed breakdown is contained at Appendix 1.

Table 1: Proposed MRF evaluation

Category	Weighting	Sub-division	Sub-weighting
Quality	**60%**	Construction	35%
		Service Requirements	65%
Financial / Commercial	**30%**	Price	83%
		Commercial Viability	17%
Legal	**5%**		
Social Value	**5%**		
Total	**100%**		

In respect of each element:

Quality

3.2 This accounts for the majority of the evaluation reflecting that the overriding objective is to procure a service that means the Authority can comply not only with known future legislative requirements but also is flexible enough to cope with unforeseen changes.

3.3 The relatively high construction weighting within this category reflects the importance of a robust, reliable and flexible facility.

3.4 The evaluation of the services proposals will span the service over the 25 year contract. Ie. not only the period when the new MRF is in operation but also the "interim" period when the current MRF is in operation whilst the new MRF is constructed and commissioned.

Financial

3.5 The significant weighting for this category reflects that requirement that proposals offer value for money and, as far as is possible, are consistent with the affordability constraints contained with the Authority's Medium Term Financial Strategy.

3.6 Bidders will be assessed for their financial viability at the pre-qualification stage meaning that only those bidders of a certain financial standing will be invited to submit bids. The commercial viability test at the final stage will be to ensure that bidders' financial proposals are consistent, credible

and demonstrate an appropriate level of commitment from external funders and boards of directors.

Legal

3.7 The relatively low weighting reflects that the Authority will issue, within the procurement document, a draft contract that bidders must generally comply with. Any major departure will result in a non-compliant bid.

3.8 However, there will be sections where bidders will be able to put forward alternative drafting. The appropriateness, or otherwise, of such proposals will differentiate bidders within this category.

Social Value

3.9 Central Government's Social Value model suggests 10% of the evaluation score be allocated to the added social/public value contained in bidders' submissions. Whilst there is no legal requirement for the Authority to comply with this model, it always seeks to follow this principle where it is appropriate and proportionate to do so.

3.10 The important issue is not whether the heading "Social Value" carries 5%, 10% or some other figure. It is whether:

- the award criteria collectively reflect the social/public benefits the Authority wishes to obtain;
- the criteria are relevant to the subject matter of the procurement;
- bidders can understand what is being evaluated; and
- the Authority avoids double-counting an outcome under both Social Value and Technical/Service Delivery.

3.11 In this instance social value will be implicit within the bidders' quality proposals that will need to demonstrate the ability to:

- improve recycling rates across Merseyside;
- minimise carbon usage throughout the life of the contract; and
- demonstrate a measurable commitment to employing a minimum number of apprentices.

All of which are accounted for within the quality element identified above.

3.12 A significant element within the social value section will be the Education offer contained within bidder's proposals.

4. HWH

4.1 The anticipated high level evaluation criteria is set out below. The proposed contract length for this contract is 15 years.

4.2 Table 2: Potential HWH Evaluation

Category	Weighting	Sub-division	Sub-weighting
Quality	**55%**	Construction Service Requirements	20% 80%
Financial / Commercial	**30%**	Price Commercial Viability	83% 17%
Legal	**5%**		
Social Value	**10%**		
Total	**100%**		

4.3 Officers are still working on the detailed evaluation criteria and so the above may be subject to change.

4.4 The social value weighting is anticipated to be higher in this contract than for the MRF due to:

- social value being less embedded into the technical and service proposals; and
- the provision of a re-use service is a significant part of the new service and this is anticipated to be evaluated under the Social Value category.

4.5 A further report containing the recommended evaluation weightings will be issued to members early in 2027, prior to the commencement of procurement.

5. Risk Implications

5.1 The risk implications in respect of the whole FWS procurement are contained within the Outline Business Case, including the proposed mitigation. Significant risks include the following:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Insufficient bidders to undertake a competitive procurement	3	4	12	The Authority has developed proposals that it believes will be attractive to the market.

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
				Pre-market engagement has reinforced this.
The procurement cannot be completed before the expiry of the existing contract	3	4	12	The procurement timetable contains a contingency period to allow for unforeseen issues.
Increased costs render the project unaffordable	4	3	12	Projected costs will be updated throughout procurement. Adjustments to specifications may be implemented where appropriate.
Adequate insurance cannot be obtained	3	3	9	This is a known factor throughout the industry. Bidders will need to demonstrate adequate engagement with and responsiveness to both their own insurance advisors and also the Authority's when submitting their proposals.
Legislative changes render the new facility obsolete before the new contract expires	4	3	12	Demonstrable flexibility will be a fundamental requirement of any proposal put forward.

6. HR Implications

6.1 There are no direct HR implications for the Authority. Operational staff working on the current contracts will be expected to transfer to the new contractors in accordance with TUPE requirements.

7. Environmental Implications

7.1 The site for the new MRF will be Gillmoss. This has been the subject of a pre-application for planning purposes that has identified the various environmental factors to be considered. These will be taken into account

when submitting the full planning application, the conditions of which will be a requirement of all bidders.

8. Financial Implications

8.1 The estimated financial impact of the FWS procurement are set out in the Outline Business Case approved by members on 24th April 2026. Officers continue to review the financial implications and an updated assessment will be included in the Medium Term Financial Strategy submitted for approval at the Authority Meeting scheduled for 5th February 2027.

9. Legal Implications

9.1 The Authority has procured legal consultants, DLA Piper, to advise the Authority throughout all stages of the procurement.

10. Conclusion

10.1 It is recommended that members approve the evaluation criteria outlined in this report.

11. Appendices

11.1 The appendices to this report are:

Appendix 1: Proposed Evaluation Criteria

The contact officer for this report is: Lesley Worswick
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: Lesley.worswick@merseysidewda.gov.uk
Tel: 0151 255 2542
Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.

Appendix 1: Detailed Evaluation Matrix

Category			Overall Score	Sub Division
Construction				
	WO1	Design	12.6	21.0%
	WO2	Delivery	8.0	13.3%
	WO3	Programme	0.4	0.7%
Service Requirements				
	SO1	Mobilisation	2.7	4.6%
	SO2	Waste Reception	2.7	4.6%
	SO3	MRF Operations	11.7	19.5%
	SO4	Asset Management & Maintenance	6.2	10.4%
	SO5	Materials Management	4.7	7.8%
	SO6	Contingency	2.7	4.6%
	SO7	Service Management	2.7	4.6%
	SO8	Employment & Staffing	2.7	4.6%
	SO9	SHEQ	2.7	4.6%
			60.0	100%
Financial		Price	25.0	83%
		Commercial Viability	5.0	17%
			30.0	100%
Legal			**5.0**	
Social Value			**5.0**	
Total			**100.0**	