



The Coal  
Authority

# *Coal Authority*

## *Waste Management Framework*

Market Engagement Information

June 2024



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## 1.1 *Executive Summary*

### 1.1.1 **Who we are**

The Coal Authority (CA) is a non-departmental public body and partner organisation of the Department for Energy Security and Net Zero (DESNZ) with a mission to make a better future for people and the environment in mining areas.

The Coal Authority manages the effects of past coal mining, including subsidence damage claims which are not the responsibility of licensed coal mine operators. It deals with mine water pollution from both coal and metal mines and other mining legacy issues.

The Coal Authority owns, on behalf of the country, the majority of the coal in Britain, and licenses coal mining. We use our skills to provide services to other government departments and agencies, local governments and commercial partners. We contribute to the delivery of the UK Government's Industrial Strategy and the environmental, social and economic priorities of the UK, Scottish and Welsh Governments. By sharing our knowledge and expertise we support them, and our partners, to create cleaner, greener nations for us all.

The Coal Authority currently has the capacity to treat 220 billion litres of mine water every year. Treating mine water has directly protected and improved over 350km of rivers, protects several important regional aquifers, enhances biodiversity and provides local amenity land. By treating the mine water we have prevented nearly 4,000 tonnes per year of iron solids and other pollutants entering watercourses or aquifers. Last year 97% of the iron solid waste was recycled or reused.

In partnership with the Department for Energy Security and Net Zero (DESNZ), the Department for Environment, Food and Rural Affairs (DEFRA), the Environment Agency (EA), Scottish Environment Protection Agency (SEPA) and Natural Resources Wales (NRW), the Coal Authority delivers a program of mine water treatment and monitoring across England, Scotland and Wales, ensuring that the mine water is effectively treated before entering natural watercourses.

Operation and maintenance (O&M) of the Coal Authority's Mine Water Treatment Schemes (MWTS) and other legacy assets supports the Coal Authority's mission and is critical for the protection of drinking water aquifers and surface water bodies including rivers, lakes, and the sea.

## 1.2 *Scope of Services*

The Coal Authority currently operate 161 individual reed beds providing treatment capacity at 59 mine water treatment sites and 130 settlement ponds at 53 sites. The purpose of the mine water treatment sites is to remove iron that has been mobilised from old mine workings into groundwater. These mine water treatment sites operate by enabling oxidation of the iron, which is then precipitated as iron hydroxide (ochre) and settled in settlement ponds. The effluent from the settlement ponds is then passed through reed beds to polish the water before discharge to local water courses under discharge consents. The reed beds are planted with a variety of wetland plants that act primarily as filters to remove any remaining ochre from the water before it is discharged. Over time there is a build-up of ochre within the settlement ponds and biomass from reed growth together with the ochre and any wind-blown dust that is captured within the reed bed. For the reed beds and settlement ponds to operate correctly the available headroom for the water levels have to be maintained within an acceptable range. So

an amount of this build up has to be removed periodically and disposed of through an environmentally sustainable route.

To achieve the removal of the build-up within the reed beds and settlement ponds, we require a competent and experienced contractor(s) to provide an environmentally sustainable disposable route for the reed bed and settlement ponds material.

The contractor(s) will need to demonstrate their ability to dispose of the material complying with the permits required for disposal and their expertise in finding environmentally friendly disposal routes i.e. not landfill

Permit required for reed bed material disposal:

Bespoke mobile plant permit for land spreading using **EWC 19 13 06**.

## 1.3 Procurement Strategy

### 1.3.1 Route to market and Lotting strategy

The framework will be procured in accordance with the Public Contract Regulations 2015 (PCR15), ensuring transparency, fairness and the equitable treatment of all participating entities.

**The procurement will be undertaken using the open tender procedure**, allowing all eligible and interested providers to submit their proposals. This strategy aligns with best practices and maximises competition, potentially leading to more favourable terms and higher service quality, in addition to minimising barriers of entry to the market.

Following market analysis and feedback from market engagement the opportunity will be offered across three lots to maximise the probability of the most beneficial outcome being delivered and to lower barriers for SME's:

Framework	Services	Estimated Value
<b>Lot 1 – Reed Bed Management</b>	Excavation, transplant existing reeds, procure and plant new reeds	£1.75m per annum £7m per framework
<b>Lot 2 – Reed Bed Disposal</b>	Transportation and sustainable disposal avoiding landfill	£1.75m per annum £7m per framework
<b>Lot 3 – Sludge &amp; Ochre Management</b>	Settlement pond desludging, excavation, transportation, ochre preparation, packing and haulage	£1m per annum £4m per framework
<b>Total Framework</b>		£4.5m per annum £18m framework

The estimated values are based on the budget granted to the Coal Authority currently for these services. This is subject to change and not guaranteed.

Bidders will be invited to submit tenders for all lots that are of interest and the tenders will be evaluated using the price per quality point method.

**The Coal Authority reserve the right to award only the lots they deem appropriate for the works.**

The maps below shows the location of MWTs with reed beds and settlement lagoons.



*Figure 1 Coal Authority Reed Bed Locations*



Figure 2 Coal Authority Settlement Lagoon Locations

**We will host a site visit** to enable interested parties to physically see a sample of the MWTS and legacy assets.

### 1.3.2 Timeline

The timeline below includes appropriate time devoted to the approval process which includes our internal approval process and external government oversight approval (DESNZ, Commercial Assurance Board, Cabinet Office (CO)). Please note the dates forecast below are estimated only and may be subject to change.

Milestone	Month	Commentary
Early Market Engagement	Jun-24	Contract Model and Social Value
DESNZ / CAB Approval	July-24	Outline Business Case
Issue Tender Docs	Aug-24	Contract notices published on Find a Tender Service and Contracts Finder
Tenders Submission	Sep-24	6 weeks for Tenders, Clarifications, Site visit
Tender Evaluation	Oct-24	3 weeks for scoring, due diligence and moderation

CA approval	Nov-24	1 month to draft Final Business Case & Recommendation
DESNZ / CAB Approval	Nov-24	1 month for Government Assurance and Approval
Issue Award Letters / Award	Dec-24	2 week standstill period, then award
Execute Contract(s)	Dec-24	2 weeks to confirm contract data and formal signing
Service Commences	Jan-25	Full Service Delivery starts

### 1.2.3 Evaluation Criteria

The Evaluation Criteria will be the same across all 3 lots, bidders will **only need to complete the Compliance Criteria via the Supplier Questionnaire on our procurement portal, InBye once for it to be valid on all lots they are bidding for.**

#### Compliance Criteria:

In compliance with PPN 03/23 the standard selection questionnaire (SSQ) will be employed. Sections 1 and 2 will be adopted as standard and all questions from section 3 will be used with minor amendments to suit the specific nature of the procurement process but without altering the nature of the questions.

Bidders will be assessed on a pass/fail basis in the SSQ.

Upon receipt of the tenders the compliance review team will evaluate the responses across each lot and carry out the due diligence checks. The bids that pass the compliance criteria will then move on to the Technical and Commercial scored evaluation sections.

In compliance with PPN 06/21, bidders will be asked to submit their Carbon Reduction Plans for the delivery of the requirement to support the government mission of achieving Net Zero. The assessment will be scored on a pass/fail basis.

#### Social Value & Sustainability Criteria:

Our ambitious goals for Net Zero have been shared with the market through our Sustainability Plan and bidders will be required to submit responses on how they think we can achieve these together.

**Social Value** is scored as part of the strategic alignment section with a proposed weighting of 10%.

The weighting is to ensure clear focus and detailed strategies are presented in the tender on how the outcomes identified for the theme “Tackling Economic Inequality” can be met.

We have produced our Social Value Strategy and are sharing it as part of this early market engagement session as well as part of the tender pack.

### 1.2.4 Evaluation Scoring

Each question posed has ‘high scoring response criteria’ aligned with it to show bidders what the evaluation team are looking for to achieve a Meets Requirement score and indicate what is



considered as an insight into responses that could be assessed as Added Value and also to provide evaluators with the criteria they need to ensure consistent and transparent scoring. Scoring criteria guidance to be used includes the table:

Assessment	Detail	Score
<b>Adds Value</b>	The evaluators are satisfied that the submission demonstrates clearly and convincingly how the capacity and / or capability of the bidder in the area being evaluated not only meets requirements in an excellent way but adds value.	<b>5</b>
<b>Meets Requirements</b>	The evaluators are satisfied that the submission demonstrates how the capacity and / or capability of the bidder in the area being evaluated meets requirements to an acceptable standard.	<b>4</b>
<b>Minor Concerns</b>	The evaluators consider that the submission demonstrates how the capacity and / or capability of the bidder in the area being evaluated meets most of the requirements but that there are areas of minor concern.	<b>3</b>
<b>Significant Concerns</b>	The evaluators consider that the submission leaves them with significant concerns about how the capacity and / or capability of the bidder in the area being evaluated meets the requirements.	<b>2</b>
<b>Unacceptable</b>	Either	<b>0</b>
	○ no submission made in relation to the area being evaluated,	
	○ the evaluators consider that the submission fails to demonstrate how capacity / capability of the bidder meets the requirements for the area being evaluated, or	
	○ the evaluators have major reservations about the submission provided with regard to capacity and / or capability in relation to the area being evaluated.	

We will be using a **Price per Quality Point (PPQP)** evaluation method for this tender as opposed to the more typical **Relative Pricing** or Percentage Allocation method.

Both methods aim to balance price and quality in different ways. The percentage allocation method offers more direct control over the balance between price and quality, while PPQP provides a unified measure of value by assessing the price for each quality point.

We have decided to use PPQP as recommended by the Cabinet Office and detailed in the **Sourcing Playbook Evaluation Guidance** having undertaken a review of this method with modelled examples to ensure the methodology is fully understood and the correct choice for the evaluation of our largest commercial agreement.

Most importantly we have chosen to adopt the PPQP model for this tender as it provides the highest level of transparency for bidders and moves away from the problematic elements of the Relative Pricing Model that are widely recognised within the procurement community namely that a bidders' final total tender score can be dependent upon the pricing submitted by a competitor.

The scores for technical and social value/sustainability "quality" criteria will be multiplied by the applicable weighting and totalled to provide the overall score for each tender submission.



The Bid Price will then be calculated using the pricing schedules completed by bidders. The Bid Price is then divided by the quality score to produce **a price per quality point. The lowest price for the highest quality will be selected as the leading bid for each lot.**

### 1.2.5 Evaluation Process

Each bid is reviewed for each lot following the process outlined below:

Stage	Evaluation
1. Compliance	Each completed SSQ is reviewed with each question given a Pass/Fail score. Bids that have failed to meet the requirements will not be progressed to the next stage.
2. Technical	<p>Each technical question completed is reviewed by the subject matter experts and scored independently of each other. A score between 0 and 5 is allocated. This score is multiplied by the weighting for that question to produce an overall Quality Score. The assessment of the response to PPN 06/21 will also be scored at this stage.</p> <p>Moderation will take place to ensure that consensus is reached on the technical scores awarded.</p>
3. Commercial	Each price submitted for each commercial criteria is weighted and then added together to give an overall tender price.
4. Evaluation Score	The Tender Price is divided by the Quality Score to produce a price per quality point. The Lowest PPQP is the recommended supplier for each lot to be compared.
5. Small Margin of Victory and Tie Breaks	<p>Where leading PPQP scores differ by 0.50% or less, a review will be undertaken by senior stakeholders within the Authority to assure the outcome.</p> <p>Calculation of PPQP will be made to £x.xx with rounding up applying if the third digit after the point is 5 or above and rounding down if below 5.</p> <p>Should a tie occur a ten stage tiebreaker has been defined and the submission with the first higher comparable score when the responses to these questions are compared in the order defined by the tiebreaker will be deemed successful.</p>
6. Award Recommendation	The lowest PPQP combined bid for lot 1 plus lot 2 is compared to the lowest PPQP for lot 3 and the overall lowest PPQP will be recommended for the contract award.

## 1.4 Framework Details and Key Terms

### 1.4.1 Contract Model

The chosen contract for the framework is the NEC4 Term Service Contract. This is viewed as most appropriate for the works required due to its widespread use within the market, its clear goals of mutual trust and co-operation, the Coal Authority's experience of managing the contracts and the standardisation of contracts across the Coal Authority.

The detailed X clauses chosen and Z clauses drafted will be provided with the tender documentation.

### 1.4.2 Framework Length

Multiple durations for the framework have been considered. The Coal Authority considers the fixed term duration of **4 years with** no options to extend, to be the most appropriate. This period enables the Coal Authority to strengthen their supply chain while their main operation and maintenance contract is being renewed.

## 1.6 Social Value Approach

The Coal Authority is committed to making a better future for people and the environment in mining areas. Taking an evidence based approach and recognising the importance of social sustainability, social mobility and the identities of former coal mining communities.

For this reason, as well as the significant value of the contract, The Coal Authority have proposed to apply an overall 10% weighting to Social Value. There shall be one question, under the 'Tackling Economic Inequality' theme from the Social Value Model, applied to the framework contracts which incorporates a wide variety of criteria.

This will provide Bidders with the opportunity to propose social value initiatives which they believe best support the social value priorities and criteria selected by the Coal Authority. Below outlines the proposed criteria under each social value question and its respective weighting.

### **Theme - Tackling Economic Inequality**

#### **Policy Outcome - Create new businesses, new jobs and new skills**

#### **Tender Weighting 10%**

Bidders' social value initiatives will be required to align with one or more of the documented criteria within the area above and deliver long-term impact beyond the duration of the contract.

In ensuring that unnecessary burdens are not placed on commercial teams or suppliers the Coal Authority are taking a flexible approach to the ongoing delivery of Social Value across the life span of the contract, recognising that significant changes can occur socially, across policy and business practice over a 4 year time period.

The Social Value question which will be published in the tender includes full details on the selected Theme, Policy Outcomes, Model Award Criteria, Sub-Criteria and Reporting Metrics applied within this contract and have been extracted and tailored using the Social Value Model (PPN/06/20).

Further information can be found in our document “Waste Framework – Approach to Social Value”.



Waste Framework -  
Approach to social va

Please note the social value strategy is still in the development stage and the theme may be subject to change.