# Soft Market Test and Market Engagement Event

For

**RECAP Dry Mixed Recyclable Bulking, transport, sorting and reprocessing**

# Section 1: Introduction

## General Requirements

* 1. The purpose of this document is to briefly explain to suppliers the business and technical requirements and the expected scope of the intended re-tender for the Cambridgeshire and Peterborough Waste Partnership’s (RECAP) Dry Mixed Recyclable materials. RECAP works together to continuously improve waste services in Cambridgeshire and Peterborough **and** wishes to seek feedback on the Partnerships intended Specification and Lot structure.
  2. **Please note:** this market testing exercise is **not** an invitation to tender or a request for formal expressions of interest. This document does not form any part of an invitation to tender. RECAP is issuing this request for **information only**. Any supplier invited to present to RECAP is doing so to support market research only and to help make any potential procurement process more focused and efficient. No supplier selection or supplier preference is implied.

## Confidentiality and Freedom of Information (FOI)

* 1. **Please note:** all information included in this Soft Market Testing is confidential and only for the recipients’ knowledge. No information included in this document or in discussions connected to it may be disclosed to any other party without prior written authorisation.
  2. All responses will be treated confidentially. However, please be aware that we are subject to the disclosure requirements of the FOI Act and that potentially any information we hold is liable to disclosure under that Act. For this reason, we strongly advise that any information you consider to be confidential is labelled as such. In the event that a request is subsequently made for disclosure under FOI the request will be dealt with in accordance with the legislation.

## Background

Cambridgeshire and Peterborough is a [county](https://en.wikipedia.org/wiki/Counties_of_England) in the [East of England](https://en.wikipedia.org/wiki/East_of_England), bordering [Lincolnshire](https://en.wikipedia.org/wiki/Lincolnshire) to the north, [Norfolk](https://en.wikipedia.org/wiki/Norfolk) to the north-east, [Suffolk](https://en.wikipedia.org/wiki/Suffolk) to the east, [Essex](https://en.wikipedia.org/wiki/Essex) and [Hertfordshire](https://en.wikipedia.org/wiki/Hertfordshire) to the south, and [Bedfordshire](https://en.wikipedia.org/wiki/Bedfordshire) and [Northamptonshire](https://en.wikipedia.org/wiki/Northamptonshire) to the west.

The county is now divided between [Cambridgeshire County Council](https://en.wikipedia.org/wiki/Cambridgeshire_County_Council) and [Peterborough City Council](https://en.wikipedia.org/wiki/Peterborough_City_Council), which since 1998 has formed a separate [unitary authority](https://en.wikipedia.org/wiki/Unitary_authorities_of_England). In the county there are five district councils, [Cambridge City Council](https://en.wikipedia.org/wiki/Cambridge_City_Council), [East Cambridgeshire District Council](https://en.wikipedia.org/wiki/East_Cambridgeshire_District_Council), [Fenland District Council](https://en.wikipedia.org/wiki/Fenland_District_Council), [Huntingdonshire District Council](https://en.wikipedia.org/wiki/Huntingdonshire_District_Council) and [South Cambridgeshire District Council](https://en.wikipedia.org/wiki/South_Cambridgeshire_District_Council). For the purposes of waste provision Cambridge City and South Cambridge District Council have 1 waste collection service called Greater Cambridge Shared Waste Service.

In 2019, the population was estimated at 894,300 for the county as a whole.

The RECAP Partnership is currently working on the following vision.

Our Vision

Working ever closer together to deliver the best most cost-effective services for the benefit of all local communities in Cambridgeshire and Peterborough.

[Joint Municipal Waste Management Strategy for Cambridgeshire and Peterborough 2008-2022](https://www.recap.co.uk/asset-library/imported-assets/Headline-Strategy%20Web%20PDF.pdf)

RECAP are awaiting the response from the consultations on the Resources and Waste Strategy to update our Joint Municipal Waste Management Strategy.

The majority of Authorities within the RECAP Partnership have declared a Climate Crisis, which set us on a pathway to securing a sustainable future for our County and its residents. Reducing carbon emission and enhancing the natural environment is an increasing priority for us as we strive to embed positive environmental outcomes across our services.

Further information about this can be found here:

[Cambridgeshire County Council](https://www.cambridgeshire.gov.uk/residents/climate-change-energy-and-environment)

Cambridge City Council

[East Cambridgeshire District Council](https://www.eastcambs.gov.uk/content/climate-change-0)

[Fenland District Council](https://www.fenland.gov.uk/)

[Huntingdonshire District Council](https://www.huntingdonshire.gov.uk/environmental-issues/climate-strategy/)

[South Cambridgeshire District Council](https://www.scambs.gov.uk/climate-emergency-and-nature/what-are-we-doing-to-tackle-climate-change-in-south-cambridgeshire/)

[Peterborough City Council](https://www.peterborough.gov.uk/council/campaigns/climate-change)

## Soft Market Test Timetable

|  |  |
| --- | --- |
| **Stage** | **Date** |
| Deadline for receipt of interest to attend Soft Market Testing Event. | 5pm Wednesday 30th November 2022 |
| Soft Marketing Testing Event including individual interviews if required | 12th December 2022 |
| Estimated Procurement Documentation Release | April-June 2023 |
| Selection and evaluation stage | July – Sept 2023 |
| Site visits | September 2023 |
| Confirmation of award | Oct-Nov 2023 |
| Contract Mobilisation | Nov 2023 – Aug 2024 |
| Contract Start 2024 | Sept 2024 |

* 1. Potential responders will not be prejudiced in any future procurement processes by either responding or not responding to this soft market test exercise.

## Market Engagement Event

RECAP are holding a Market Engagement Event in Cambridgeshire on 12th December with the purpose of presenting an outline of our current thinking on the re-tender of this dry mixed recyclate contract. The RECAP Partnership at this time of uncertainty would like to engage with the Market and explore alternative models and options for the disposal of this material. We are inviting interested parties to attend the event and hear from our Elected Members and senior officers about this process and to follow up with a smaller group-based interview to discuss specific commercial arrangements.

If you are interested in attending this event, please respond to [bryony.rothwell@cambridgeshire.gov.uk](mailto:bryony.rothwell@cambridgeshire.gov.uk) requesting joining instructions for the event on 12th December 2022.

**Bidders must request the joining instructions from** [**bryony.rothwell@cambridgeshire.gov.uk**](mailto:bryony.rothwell@cambridgeshire.gov.uk) **no later than 5pm on Wednesday 30th November 2022**

# Section 2: Further Information

## Background and Scope of Works

Over the last 20 years, the recycling rate in Cambridgeshire & Peterborough has increased significantly, from 17% in 1999/2000 to over 54% in 2020/21. Waste analysis in 2019 identified 33% of the residual waste is food waste which could be recycled. Only one Partner authority, Peterborough City Council, collects food waste weekly and separately. Three of the WCAs collect mixed food and garden waste, with Fenland District Council being the only authority not collecting food.

Local Partnerships provided support on collection options modelling for RECAP in 2020, looking at options for two-stream and multi-stream collections. WRAP supported Fenland in 2021/22 on options modelling for introducing separate food waste collections.

Current Performance

|  |  |  |  |
| --- | --- | --- | --- |
| Partner authority | Percentage of household waste sent for reuse, recycling or composting  (Ex NI192) 20/21 | Collected household waste per person (kg)  (Ex BVPI 84a) 20/21 | Collection Contractor(s) |
| Cambridge City and South Cambs Councils | 49.6 | 430.2 | \*Greater Cambridge Shared Waste (GCSW) |
| East Cambridgeshire District Council | 56.6 | 392.7 | East Cambs Street Scene |
| Fenland District Council | 40.3 | 563.4 | In-house |
| Huntingdonshire District Council | 55.2 | 425.8 | In-house |
| Peterborough City Council | 40.9 | 586.0 | Aragon Peterborough |

\*Greater Cambridge Shared Waste Service was formed in 2015 by Cambridge City Council and South Cambridgeshire District Council.

Current Collection Services

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Partner authority | Residual waste | Dry recycling | Food waste | Garden waste |
| Cambridge City and South Cambs Councils | Fortnightly  240L wheeled bin | Fortnightly  Fully comingled  240L wheeled bin | Fortnightly  Mixed food + garden  240L wheeled bin  (Some trials on separate food collections, 9k properties) | Fortnightly mixed food + garden via 240 litre wheeled bin |
| East Cambridgeshire District Council | Weekly via sacks | Fortnightly  Fully comingled  240L wheeled bin | Fortnightly  Mixed food + garden  240L wheeled bin | Fortnightly mixed food + garden via 240 litre wheeled bin |
| Fenland District Council | Fortnightly  240L wheeled bin | Fortnightly  Fully comingled  240L wheeled bin | None | Fortnightly  240L wheeled bin Chargeable |
| Huntingdonshire District Council | Fortnightly  240L wheeled bin | Fortnightly  Fully comingled  240L wheeled bin | Fortnightly  Mixed food + garden  240L wheeled bin  (Separate food waste trials 1k properties) | Fortnightly mixed food + garden via 240 litre wheeled bin |
| Peterborough City Council (Unitary) | Fortnightly  240L wheeled bin | Fortnightly  Fully comingled  240L wheeled bin | Weekly  Separate food  23L bin, 5L caddy  Liners supplied | Fortnightly Chargeable |

The WCAs do not provide kerbside collections or bring banks for household batteries and small WEEE. A network of bring sites are located across Cambridgeshire and Peterborough for paper, textiles and glass. Cambridgeshire County Council and Peterborough City Council provide 10 Household Recycling Centres (HRCs) across the area. The WCAs also provide Commercial Waste collections where separately sorted and comingled dry recycling collected comes through the existing contract.

Waste Treatment and Disposal

Recycling, residual waste and garden waste collected by Partner authorities currently go to Waterbeach Waste Management Park that is operated by Thalia. Cambridgeshire County Council has a long-term partnership with Thalia, delivering its 28-year PFI contract that runs until 2036. Through the contract, Thalia operates a number of waste technologies to deal with residents’ household waste, including a Mechanical Biological Treatment (MBT) plant to treat residual waste, in-vessel composting (IVC) facility for garden waste, and a Materials Recovery Facility (MRF) for dry recycling. Thalia also operate three waste transfer stations at Waterbeach, Alconbury and March and manage the operations of the nine HRCs.

Joint MRF Procurement

In 2014, Thalia (previously known as Amey) was awarded a five-year contract to process comingled dry recyclables from households on behalf of RECAP. Dry recyclables, which include plastics, metals, card, paper, glass, are processed at the Waterbeach MRF, which opened in 2012.

Prior to the procurement, all six councils had three separate contracts in place for the bulking, sorting and onward sale of recyclable materials. The contract with Thalia represented the first time all six of the councils had worked jointly to process recyclables, with authorities joining the new service as existing contracts expired.

The procurement was divided into 2 Lots:

bulking and storage of dry recyclables (65,752 tonnes)

receipt, sorting and onward sale of the recyclables (73,088 tonnes)

The contract was let through a full OJEU procurement exercise and had an option to extend both lots to a further five years. In early 2022, the Partnership agreed to extend the contract to 2024.

With the existing contract with Thalia ending on 14 September 2024, and with no contractual extension beyond that, the Partnership needs to go out to tender for a new service to handle the dry mixed recyclate and associated Bulking and Transport Contract. The new contract may be made up of 2 lots, one for the Bulking and Transport, a second for the sorting and onward sale of delivered materials. However this is part of the soft marketing testing to understand if different solutions impacted by DRS and EPR will come from the market.

Materials Markets

A number of challenges are currently facing MRF operators surrounding material prices and market situation, Brexit and Covid-19. Since the original contract was let, the commodities markets for recyclate materials have changed significantly, with increased volatility in recent years. WRAP’s Gate Fees Report (2020) showed the upward trend in gate fees continues and the market is moving towards a fixed gate fee. The COVID-19 pandemic led to a reduction from commercial and industrial sources of food waste to AD and IVC facilities, and dry mixed recycling to MRFs, as a result of the temporary closure of many businesses. Contamination is an ongoing issue and tightening of overseas markets on the quality of export materials influences price increases, along with significant fluctuations in the value of global commodity markets. The impact of these conditions need to be better understood by the RECAP Partnership before creating the specification.

Legislation

Forthcoming policy changes under the Environment Act (2021) and the Government’s Resources and Waste Strategy for England (2018) will impact the market. The Act introduces Extended Producer Responsibility (EPR) which will allow regulations that will require manufacturers to contribute to the disposal costs of the products they produce. As well as EPR, powers in the act allow the government to create a Deposit Return Scheme (DRS) for drinks containers (glass will not be included for England), require consistent recycling collections for all households, enable charges for single-use items (similar to the carrier bag charge) and allow government to set long-term, legally binding environmental targets, with at least one within the area of resource efficiency and waste reduction.

The Resources and Waste Strategy set out Government’s ambitions for higher recycling rates, increased resource efficiency and a more circular economy in England, with a commitment to achieving a recycling rate of 65% of municipal waste being recycled by 2035. Following the first consultation on ‘Consistency in Household and Business Recycling Collections in England’ (May 2019), measures were introduced in the Environment Bill requiring:

WCAs to arrange for the collection of glass, metal, plastic, and paper and card from all households for recycling (we are still awaiting a response to the consultation on which materials may be co-collected)

WCAs to arrange for the collection of food waste, separately and at least once a week for recycling or composting

WCAs to arrange for the separate collection of garden waste for recycling or composting (we are still awaiting a response to the consultation regarding whether collections should be free)

Secretary of State to publish statutory guidance on the duties imposed and to consider the publishing of non-statutory guidance

The second round of consultations on the policy proposals took place in 2021 and sought to build on the proposals outlined in the first consultation, following stakeholder feedback and engagement with the sector. Following the outcome of the second consultation, the Secretary of State will specify the types of materials to be collected within each recyclable waste stream. These recyclable waste streams must, without exception, be collected separately from other household waste and they must be collected for recycling or composting. In order to achieve high-quality recycling, these recyclable waste streams must be collected separately from each other, except where this is not technically or economically practicable, or where there is no significant environmental benefit from separate collection. If a WCA relies on one of these exceptions, they will need to carry out a written assessment (TEEP) and compliance will be assessed by the regulator in England, the Environment Agency.