

**West of England Partnership
Joint Scrutiny Committee
23rd January 2009**

Report of the Chief Executive

**Waste Management Contract Phase 3
Tender Evaluation Criteria**

Purpose of the Report

1. To seek the views of the Committee on the tender evaluation criteria prior to these being considered for adoption by the Joint Waste Management Committee on 12th February 2009.

Introduction

2. Under EU public procurement policy, potential bidders must be notified of the means by which tenders will be evaluated at or before the Invitation to Participate in Dialogue. Therefore the evaluation criteria and their weightings need to be determined early in the process of procurement.
3. The criteria will be used throughout the dialogue to create a shortlist of the best solutions and selection of the final tender. By assigning criteria to the qualitative (eg: service delivery, technical, commercial, financial, legal and contractual) elements of the tender output specification, the Authorities can communicate to bidders the basis on which their tenders will be evaluated.
4. In order to ensure that the evaluation process is fair and transparent, as obliged by EU Treaty principles, the assessment should follow a pre-defined evaluation strategy and should be consistent with the ultimate objectives of the project. As the dialogue progresses, the methodology of assessment may become more sophisticated and detailed, but the criteria and scoring mechanism should remain unchanged. For example, financial robustness may be of greater importance at the Pre-Qualification Questionnaire (PQQ) stage, whilst the level of technical experience will warrant more detailed assessment at the negotiation stages. At the PQQ stage the evaluation criteria could involve pass/fail criteria or minimum thresholds.
5. The price and quality elements of tenders are assessed separately. Weightings are applied to the criteria to ensure that price and non-price factors are scored to reflect their relative importance and to arrive at a final value for money (VFM) judgement.

Background to this report

6. The Committee received a presentation at its last meeting held on 12th December 2008 on the methodology to be employed in determining the evaluation criteria and the arrangements for engaging with stakeholders. The Committee is being asked to express its views on the evaluation criteria derived from work done in liaison with the Partnership's advisors, Jacobs Engineering, PricewaterhouseCoopers and Pinsent Masons, which was further developed at the stakeholder workshop which held on Monday 12th January 2009.
7. The workshop was attended by representatives of community and environmental groups, business and Government agencies, elected members and officers. A total of 39 representatives were invited on behalf of Bristol, North Somerset and South Gloucestershire. The workshop was facilitated by officers and advisors. 28 stakeholder representatives participated in the workshop from which the evaluation criteria and their weightings were determined. For clarification, 'their weightings' means their importance in relation to one another.
8. The focus of the workshop was to determine the criteria that would deliver the Key Service Objectives, ie: the outcomes that the partnering Authorities wish to secure from any future contract, and how tenders would be assessed.
9. The Key Service Objectives are derived from the priorities found within the adopted Joint Waste Strategy (JWS) and Outline Business Case (OBC). These were initially shared with the Scrutiny Committee on 12th December 2008, subsequently refined in the light of further examination of the core documents and then used as a reference in the determination of the evaluation criteria at the workshop. The Key Service Objectives will be embodied within the tender Output Specification. For ease of reference the Key Service Objectives derived from the JWS and OBC are shown in Appendix A. This slide formed part of the supporting presentation given at the stakeholder workshop (slide no. 5). A copy of the full presentation is at Appendix B.
10. A key outcome of the contract will be Best Value - a combination of Cost and Quality. It is of paramount importance that there is a robust and transparent process by which the Authorities can assess bidders' solutions and be confident that what is being proposed, and by whom, is capable of delivering the Key Objectives at an affordable cost; a cost within the Affordability Envelope of the OBC. The Authorities are obliged to inform bidding contractors as to how their proposals are to be evaluated. For this we need an Evaluation Framework. An example of an Evaluation Framework which has been successfully used and tested on other waste projects was provided to stakeholders at the workshop. During the workshop stakeholders refined this model into one designed to bring forward the desired contractual outcomes for Phase 3.

11. At the close of the workshop participants were invited to reconsider the outcomes of the day and were invited to recommend any amendments to the Level 3 criteria falling within the Service Delivery and Technical elements of the framework, and how they might these be measured.

Outcomes

12. A summary note of the workshop is provided at Appendix C and is supported at Appendix D by an analysis of the weightings determined at the close of the workshop.
13. Work continues with the Partnership's Financial and Legal advisors to conclude their recommendations in respect of the remaining Level 2 criteria within the Commercial and Financial, Legal and Contractual, and Overall Project Integrity elements of the framework.
14. The results of this work will be incorporated into a structured Evaluation Criteria Framework which will made available to members under separate cover prior to the Scrutiny meeting because at the stage of drafting this report it is presently being finalised. This will become Appendix E to the report.
15. It is this Evaluation Criteria framework on which members of the Joint Scrutiny Committee will be asked their views, prior to it being presented to Joint Waste Committee on 12th February 2009.

Recommendation

The Joint Scrutiny Committee is asked to express their views on the proposed Evaluation Criteria Framework for the evaluation of Phase 3 tenders so that these can be reported on to the Joint Waste Management Committee for their consideration.

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