

Project Transform

Member Advisory Panel

29th January 2010

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Content

- Procurement Process
- Revised Waste Flow Model

Procurement timetable (1)

- OJEU publication – September 2009
- Invitation to submit outline solutions – January 2010 – 3 to 8 contractors
- Invitation to submit detailed solutions - September 2010 – 3 contractors
- Contract award/financial close – April 2012
- New facility operational – April 2016

Procurement timetable (2) - Tender and Specification

Technology	Neutral – bidders to propose solutions
Capacity	Bidder to propose capacity
Recycling rate & Landfill Diversion	Bidders required to recycle and additional 5% from material delivered to facility. Maximise diversion from landfill
Location	Bidders can propose alternative sites
Contract length	25 years
Contract type	PFI
Procurement	Competitive Dialogue

Pre-qualification process

- 13 Expressions of Interest
- Track record of delivering residual waste treatment solutions and financial capacity
- Eight contractors/consortia – range of technology solutions
- One withdrawal – Biffa Waste Services

Invitation to Submit Outline Solutions Short-list

- Wheelabrator Technologies Inc/Cory Environmental Management Ltd Consortium
- MVV Umwelt GMBH
- Covanta Energy Ltd
- Veolia ES Aurura Ltd
- Eon Energy from Waste AG with Greenstar
- Urbaser/Balfour Beatty
- Waste Recycling Group Ltd with Cemex

ISOS process

- Invitation to participate in dialogue includes suite of documents
- April - Solutions returned and presentations
- 2 month evaluation period
- July - 3 contractors/consortium invited to detailed solutions stage

Revised Waste Flow Model

- PFI OBC Waste Flow model
 - Based on 2006\07 data
 - Maximum capacity forecast 2041 – 305,000 tonnes
- Revised Waste Flow model
 - Based on 2008\09 data
 - Indicates trend moving forward
 - Will up-date (at least once more) for 2009\10 data prior to committing to tonnage figures

Waste Flow Presentation Overview

- Assumptions
- Performance at key milestone dates
- What is left in the bin after recycling
- How the model could be effected by legislative drivers
- How this model will be updated and when
- Questions

Assumptions – Overall Waste Growth

- 0.75% per year throughout the life of the contract – this includes:
 - ⊙ A drop in waste growth per property
 - ⊙ An increase in housing and population in line with the RSS projections

Assumptions – Waste Composition

- Coventry – own composition study (2007)
- Warwickshire – own composition study (2005)
- Solihull – Warwickshire data used
- Next Sub-regional waste composition in 2010.

Assumptions – Recycling and Composting Performance (1)

- All current and committed (council approval given) to recycling and composting schemes have been modelled.
- Future assumptions include:
 - That all authorities will achieve Waste Strategy for England 2007 targets
 - In order to achieve the above food waste collections have been added post 2015 where they don't already exist
 - There is assumption that all authorities will increase their education and awareness raising between now and 2020 to maximise reduction and recycling / composting performance

Assumptions – Recycling and Composting Performance (2)

- Participation rates
 - Have been modelled using a judgement of the Acorn data and current performance from each Waste Collection Authority
- Recognition rates
 - Have been modelled using a judgement of the Acorn data and current performance from each Waste Collection Authority

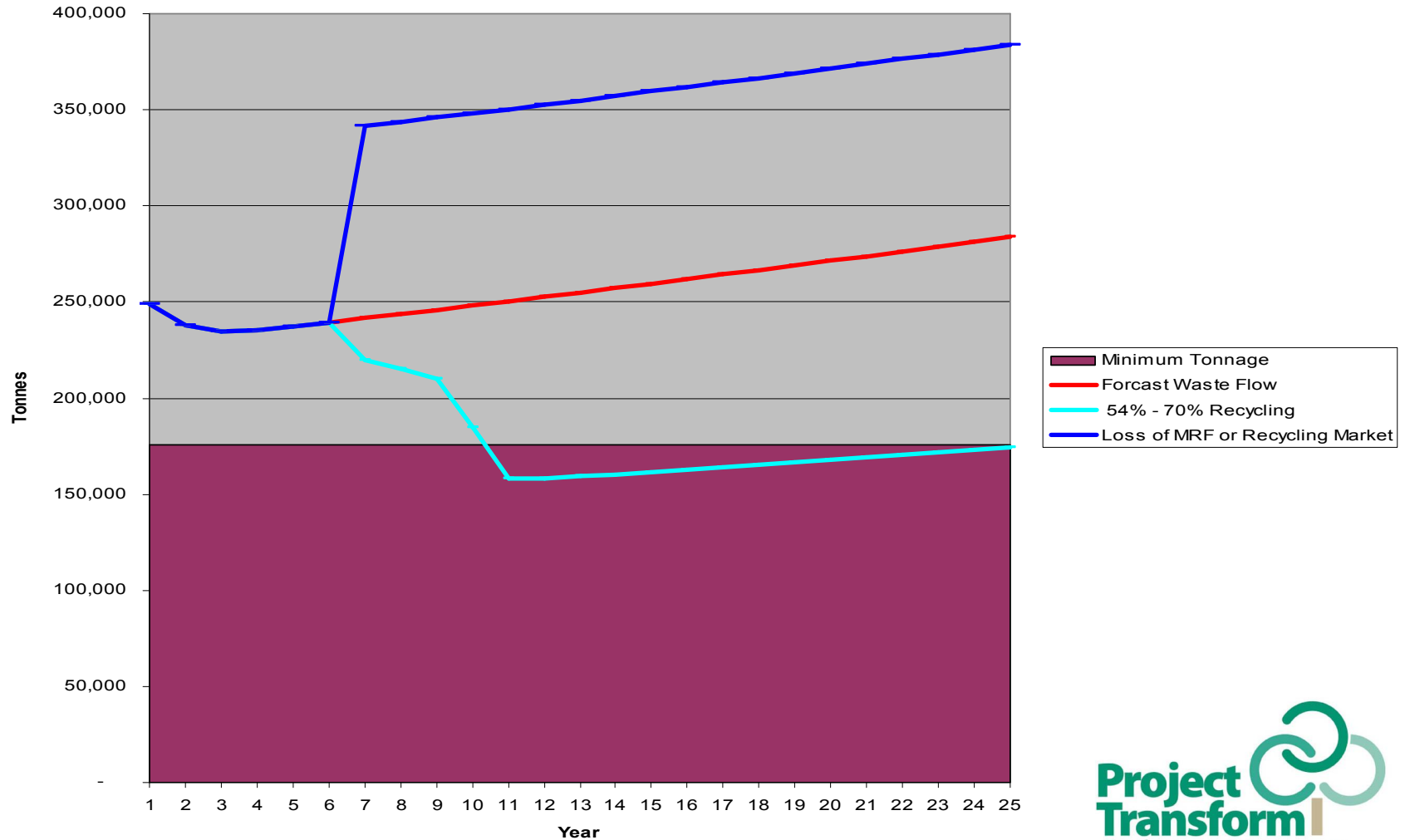
Assumptions – Residual Waste Destinations

- North Warwickshire and part of Nuneaton and Bedworth will go to Staffordshire (W2R)
- Coventry, Solihull, Warwick, Rugby, Stratford, and the remainder of Nuneaton and Bedworth will be treated at the Project Transform Facility
- The Project Transform facility will also treat residual waste from HWRCs

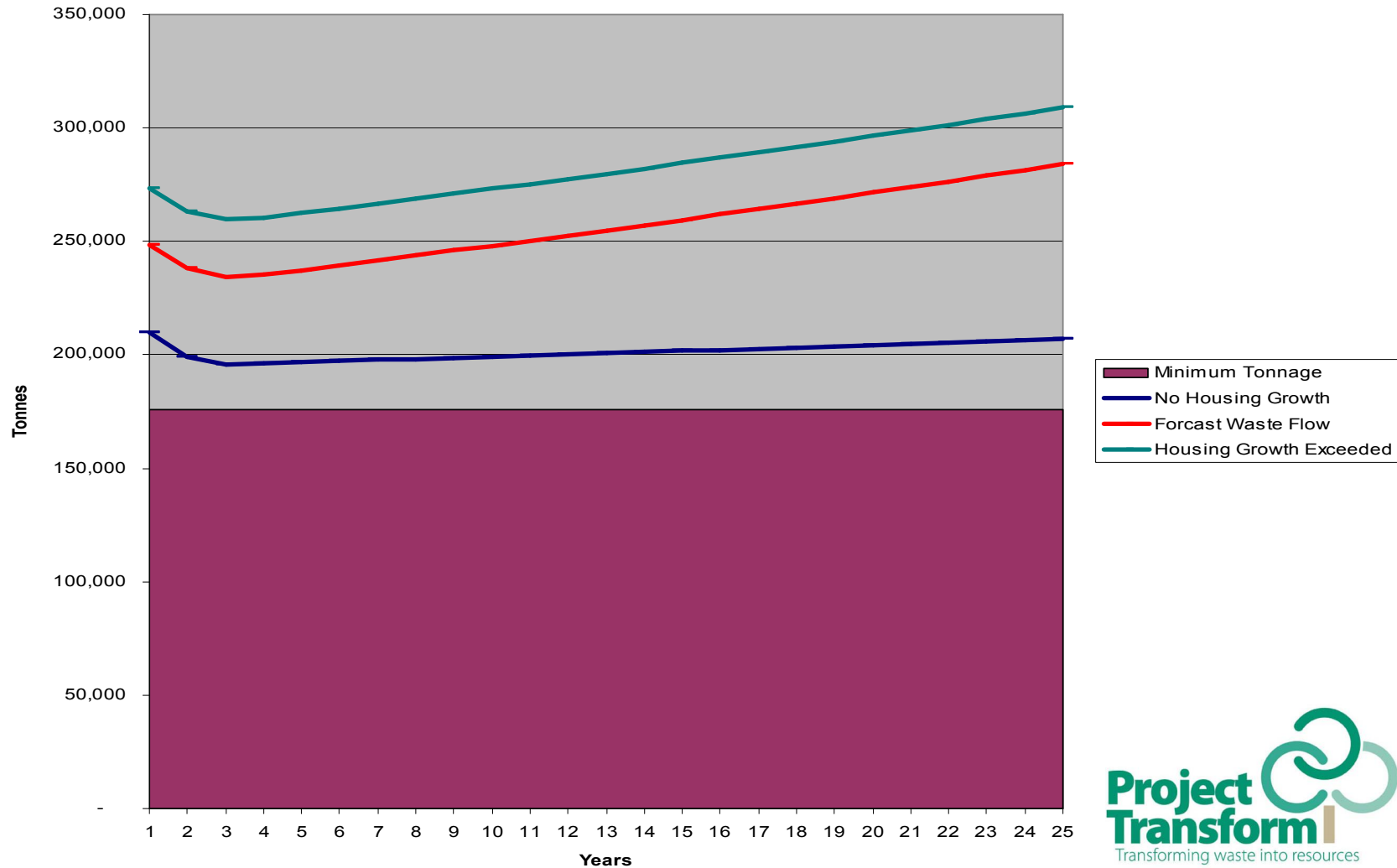
Performance at Key Milestones

	2016 – Proposed Service Commencement		2020 – Waste Strategy for England Target Year		2041 – Proposed Final Year of the Contract	
	Recycling / Composting Rate	PT Facility Tonnage	Recycling / Composting Rate	PT Facility Tonnage	Recycling / Composting Rate	PT Facility Tonnage
North Warwickshire	37%	0	48%	0	48%	0
Nuneaton and Bedworth	42%	19,000	52%	12,000	52%	24,000
Rugby	54%	22,000	54%	23,000	54%	29,000
Warwick	55%	19,000	55%	19,000	56%	22,000
Stratford	64%	18,000	64%	18,000	64%	20,000
Warwickshire (HWRC)	61%	19,000	61%	20,000	61%	24,000
Solihull	46%	53,000	55%	45,000	55%	51,000
Coventry	40%	111,000	51%	98,000	51%	113,000
Total / Com	48%	261,000	54%	235,000	54%	283,000

Minimum Tonnage Examples -1



Minimum Tonnage Examples -2



Sensitivities

Recycling Rate modelled by PT (this does not include the 5% requested in the contract)	Recycling Rate modelled by PT – including the 5% contract target	Input to PT facility	Likely Min. Tonnage
54%	59%	285,000	176,000
60%	65%	210,000	176,000
65%	70%	185,000	176,000
70%	75%	158,000	176,000

What remains in the bin?

- Paper / Card (soiled & those not recycling)
- Sanitary and Low Grade Medical Waste
- Plastic Film and Mixed Polymer Plastic
- Food Waste
- DIY Waste – Paint etc
- Small Electrical
- Broken Glass and Crockery
- Waste from people who don't Recycle
- HWRC Residual Waste

Effects of Future Legislative Changes

- Higher national recycling levels at the review of WS07
- Individual waste stream bans (plastic, glass etc.)
- Deposit schemes
- Packaging Legislation

How often will this model be reviewed?

- Original model used 2006/07 data
- This review uses 2008/09 data
- Next review in Autumn 2010 using 2009/10 data

Summary

- All model assumptions have been reviewed and found to still be relevant.
- All revised recycling and composting plans have modelled.
- Actual data from new Warwickshire Districts Recycling Schemes have been included.
- There is an overall drop in residual waste.
- Sensitivity testing concludes that a residual waste facility is still needed at the highest recycling rates and with no housing growth.

QUESTIONS