

Appendix 4

Extract from Newport City Council Cabinet Report (26 May 2009)

analysis will also be conducted to ensure that likely bidders are not immersed with other contract engagement during our procurement's critical times. The process will also be quality assured by the Gateway review process by independent assessors and the WAG have requested their own "healthcheck" review which the Project has agreed in principle.

29. The Project timetable has been reviewed in light of the time taken to reach the decisions necessary on WAG funding and site availability. It is the Partnership's view that the revised timetable is achievable provided planning timeframes are not stalled. Prior to the issue of the OJEU notice, sufficient time has been factored for the preparation of comprehensive documentation so that bidders have full information from the start so as not to cause delay in subsequent stages of the procurement. The evaluation methodology will be consulted upon with stakeholders and finalised by authority of the proposed Joint Committee during this pre-procurement stage.

30. The procurement phase is just over 24 months from placing of the OJEU notice to the selection of the preferred bidder and that is believed to be adequate to complete the competitive dialogue process. In summary, the indicative timetable is therefore as follows:

Activity	Financial Year	
✓ submit OBC to WAG	Winter	2008/09;
✓ Conditions met	Spring	2009/10
✓ WAG Approve the OBC and Funding	Spring	2009/10
• Decision to proceed	Summer	2009/10
• Place OJEU	Autumn	2009/10
• Commence Competitive Dialogue	Winter	2009/10
• Select Preferred Bidder (Full Council Report)	Autumn	2011/12
• Planning Starts	Autumn	2011/12
• Contract Close	Spring	2012/13
• Construction Starts	Autumn	2012/13
• Gates Open	Autumn	2015/16

31. A full master project timetable is included in the OBC Health Check Addendum 2009 contained in Appendix B

Optional Site

32. The Project has identified that a fundamental risk to any waste procurement project is the availability of a suitable site that has a reasonable opportunity for obtaining a full planning permission. The preferred approach for all waste procurement projects, in line with national guidance, is for the relevant local authority(s) to acquire sites in line with the adopted Development Plan and/or the relevant Regional Waste Plan (RWP) or where they are confident the proposal will accord with a development plan currently in preparation.

This way the Project will maximise the competitive potential during the tendering process by providing interested parties with a potentially suitable location upon which to base their solutions. As such the Partnership is seeking to bring forward an Optional Site within local authority control.

33. It should be noted that this approach does not prevent bidders putting forward other sites under their control as part of their bid. Bidders could evaluate the Optional Site against any other site they consider they have access to and formulate their solutions accordingly. The Project evaluation methodology would ultimately judge the merits of each proposed solution during the evaluation stages of the procurement.
34. A site option assessment was prepared by the Project's technical advisers. The compiled list of sites subject to this assessment was taken from the South East Wales Regional Waste Plan (RWP) and the individual authority's planning policies. This does not imply a chosen technology nor pre-empt the emerging Local Development Plans (LDPs). The approach therefore has been to follow the RWP and to evaluate all the sites against what is considered a justified, uniform set of local criteria.
35. From the 66 potentially available sites identified within the draft RWP, a revised list totalling 59 sites was produced following discussions regarding the practical status of each of the RWP listed sites with officers within the planning and economic development departments of the relevant local authorities. This revised list of agreed sites reflected the information being considered by the respective authorities in preparing their emerging Local Development Plan (LDPs).
36. The initial assessment process yielded 17 sites that are potentially suitable for the development of a residual waste facility. Each of the short listed sites was rated according to whether it was deemed to have 'high', 'medium' or 'low' potential for development for the proposed facility. Sites classified as 'high' were perceived as having excellent potential for further consideration on the basis that all the site selection criteria were met along with those criteria considered to be 'added benefits' (for example proximity to electrical grid connection, potential for CHP). 'Medium' sites were perceived as having moderate potential for further consideration, but with some constraints associated with the potential for added benefits, while those sites classified as 'low' were perceived to have low viability for Project Gwyrdd due to the presence of few added benefits.
37. Three sites in public ownership were identified as having 'high' potential and therefore attainable:
 - **Capital Business Park, Cardiff;**
 - **Queensway Meadows East, Newport;**

- **Queensway Meadows, Tatton Road, Newport**

38. A further two sites fell into the 'high' category, but these were subsequently discounted on the basis that they are no longer available or have a defined master plan for use and development and were therefore deemed unavailable.
 39. The purpose of this exercise was to ascertain at this stage whether there are any clear reasons why any of these three remaining sites should be 'denominated', and to identify, which of the three is most likely to achieve planning permission for major waste facilities. The intention is to make available a site to bidders that minimises planning risk and uncertainty,
 40. The methodology undertaken comprised a desktop study, a site walkover survey to verify assumptions and additional high level assessment work including: ease of transportation and road and rail networks, proximity to the grid for power sources and feeds, utility constraints, potential heat users and any other constraints. Full details of the assessment, results and limitations with constraints identified can be found in Appendix C.
 41. On the basis of the work undertaken, Queensway Meadows Tatton Road, Newport is regarded the most suitable site to take forward for the next stages of investigation in consideration of its potential to take to the market as an Optional Site for bidders to base their solutions upon. To achieve this, the Project must produce a much more detailed planning pack in readiness for publication of the OJEU.
 42. In order to complete further works and to have control of the site, the Proiect Gwyrdd partnership are anticipating taking up a three year 'Option Period' and that Newport City Council will take that option on behalf of the Project from the WAG at a cost to the Councils of £25,000 per annum shared on a proportional tonnage basis. The draft Heads of Terms of the site include early termination clauses should a) the site not be required for use by the bidders for the final solution and b) that the procurement completes to timetable i.e. less than three years. At the end of the Option Period, the WAG have provided further options for current consideration to either afford a commercial lease or for the appropriate body to Freehold Purchase the site at the appropriately deemed market valuation at that time based upon a current market valuation of £1,500,000 plus overage..
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43. As noted previously, the action of the Project taking forward an Optional Site would not preclude a privately owned site being brought forward by a bidder.
 44. Whether the final solution has utilised the Optional Site to the Project or contains a private site brought forward; responsibility for establishing full planning permission would lie with the successful bidder, not the local authority or partnership, as a detailed planning application would be

dependent on the specific technology and design. Any decision taken by or in respect of Prosiect Gwyrdd will not and should not be seen as fettering any local authority in the exercise of its statutory discretion and or in decision making role as local planning authority.

45. As part of best practice and to help local understanding of the potential use of the Optional Site, subject to Newport City Council's agreement, a specific Community Engagement Plan is proposed for the adjacent Community.

Governance

46. The current pre procurement governance arrangements are an Officer Steering Group with a non-decision making Members' Steering Group, supported by a small project team. The recommended Governance arrangements would provide for the implementation of a Joint Committee to take decisions during the procurement through a Lead Authority structure. The other partners would be tied into the process through the Joint Working Agreement (see Legal implications section for further details).
47. An officer Project Board would be responsible for the Procurement mechanical decisions, indicated in Schedule 1 of the JWA provided as Appendix D, with a fully resourced Project Team working to deliver the complex procurement stages. With the lead authority governance model, once the waste management contract has reached financial close, the benefits and obligations of the contract will be passed back by the Lead Authority to the other four authorities. Issues around the risk of these arrangements (the Lead Authority role) are dealt with under legal implications section.

Stakeholder Engagement Strategy/Joint Scrutiny Arrangements

48. The focus of the Partnership thus far has been to establish the appropriate funding and business case for the Project, communications have been limited to the establishment of a comprehensive Prosiect Gwyrdd website and individual authorities have engaged with external stakeholders expressing a direct interest. However, the need for comprehensive, proactive stakeholder/ community group engagement is recognised. As such a Stakeholder Engagement Strategy is in development that will be supported by a Stakeholder Communications Plan also in development that will be the delegation of the proposed Joint Committee to approve..
49. The plan is to include engagement in the following areas:
- ✓ General engagement across the five authorities forums for Waste/ Young Persons/ Older Persons/ and Business Forums to form a single Prosiect Gwyrdd Consultative Forum throughout the process