



# TENDER FOR WASTE AND RECYCLABLES COLLECTION SERVICE



## Background (REF: 1)

Legally, municipalities in EU countries have the responsibility to organise the collection of waste and recyclables from households. As decision makers, they can conclude contracts with waste management companies and/or paper mills or any other party able to provide the required service. These contracts for collection of solid waste and/or recyclables generally range from 2 to 7 years.

In some countries waste management companies are only offered short contract terms by the municipalities. This might result in insufficient planning security for the service providers and thus in less sustainable approaches and in the worst case in a pronounced disinclination to invest in new technologies. Increasing competition between waste management companies in times of dwindling profit margins further exacerbates the situation. In order to mitigate such undesired consequences for both the municipalities and the waste and recyclables management companies both parties should agree on reasonable terms of such contracts. A duration of 5 years is considered as the minimum.

## ACTION

To establish a tendering process for the selection of the best-possible waste management company based on long-term contracts and the accomplishment of the fixed targets by the municipality

## Example of good practice implemented

### 24 Waste Service Providers have been invited to tender for framework contract in UK (REF: 2)



Figure 1- Waste service collection in UK

Twenty-four waste service providers have been invited to tender for a framework contract which could save councils 85 million in procurement costs over the next four years.

The groundbreaking Waste Management Services Contract, which has a potential value of 1.7 billion, is being developed by Improvement and Efficiency South East (iESE) and the London Waste and Recycling Board on behalf of 141 local authorities.

**The contracts, once in place, municipalities involved with the framework will be able to use it for four years from April 2012 to procure contracts individually or in partnership, appointing a single contractor for up to 10 years.**

Mr Greenfield explained that standardly, it took around 12-18 months to procure a waste collection contract but that iESE was hoping to cut that time in half.

## Keep in mind that (REF: 1, 3)

- ▲ Tender should follow an open and transparent process.
- ▲ The procedure should consider the specifications linked to the EU public tendering rules (collection method and quality, collection rates, environmental standards, support on raising citizens' awareness, and use of innovative technologies).
- ▲ Conditions of the tendering process should be published in advance (including minimum characteristics of the service, contract period and evaluation criteria).
- ▲ Contract should be based on long-term contracts.

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## How to start? (REF: 3)

- ✓ Check expiry and associated clauses of existing contract.
- ✓ Notify current provider that contract is being terminated and put out to tender. Note: old contract should not be terminated before the new one is valid.
- ✓ Identify scope of services required and what you need from service provider.
- ✓ Identify requirements and condition for the service performance.
- ✓ Undertake site visits with tendering waste and recycling contractors.
- ✓ Receive tenders (submitted in specified timeframe).
- ✓ Review tenders and seek clarification from tendering contractors.

**GUIDELINE**

Best practice specifications for tendering the collection of Paper for Recycling: This Best Practice publication, as well as the free calculation tool for collection target benchmarking are examples of how national or regional competent authorities can all ensure that the new rules are put in practice and start contributing to a more transparent, efficient and professional public procurement. These elements are all vital in relaunching growth in the Single Market. (REF: 5)

 **Waste Public Procurement**

## Potential benefits (REF: 4,6,7)



Improvement in KPIs, due to the agreed conditions between waste manager company and municipality during the tendering process.	●	●	●
Externalization of services , avoiding the necessity of dedicated staff for waste management activities.	●		●
Increased trust in the systems. Tendering is an open process with conditions published in advance.			●
The public administration obtains the best available conditions, in terms of price and quality of the service.	●	●	●



### References:

1. ECOPAPERLOOP (2014): Optimising Paper Products, Packaging and Collection Systems
2. iESE (2012): 24 waste service providers have been invited to tender for a framework contract
3. ZERO WASTE PROGRAM IN AUSTRALIA (2014): WASTE AND RECYCLING TENDER GUIDELINES
4. OFFICE TEAM (2013): The top 6 benefits of long-term supplier relationships
5. CEPI (2014): Best practice specifications for tendering the collection of Paper for Recycling
6. NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS RECYCLING CONTRACT NEGOTIATION GUIDEBOOK.
7. LET'S RECYCLE (2014): Waste industry defends long-term contracts
8. RECYCLING TODAY (2017): Re-Gen signs long-term contract with 5 Recycling Group