



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext: 76437

Item 7

20th March 2025

The Design, Supply and Install of a Materials Recovery Facility (MRF)

Tender Reference: - GCC005911CPU

Purpose of Report:

To submit details of the tenders received for the design, supply and install of a materials recovery facility and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the design, supply and install of a materials recovery facility to the contractor listed below.

Contractor Name - Turmec Limited
Companies House Number - 11718425

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background and Tender

- 1.1 Glasgow City Council's ("the council's") budget for the design, supply and install of a materials recovery facility is part funded by grant funding from the Scottish Government's Recycling Improvement Fund at value of £7,000,000 with the remaining budget contribution from Neighbourhoods Regeneration and Sustainability's capital budget.
- 1.2 The council is working towards the full implementation of a new kerbside recycling service and the construction of a new Material Recovery Facility (MRF), which will replace the council's existing Blochairn MRF which processes Dry Mixed Recyclables (DMR). The current Blochairn MRF is capable of processing up to 30,000 tonnes of DMR annually.
- 1.3 There are also several forthcoming changes to waste collection and processing arrangements in Scotland. Of particular interest is the Charter for Household Recycling (CFHR) with associated Code of Practice (CoP). The City's waste and recycling collection services will align with the CFHR and associated CoP, which will ultimately see the DMR ("blue bin") service replaced by a new collection system, with material separated in the following bins:

- Fibre bin - paper/card
- Container bin - steel and aluminium cans, plastic containers, plastic bottles, pots, tubs, trays, beverage cartons and plastic film

The phased implementation of this new collection scheme is already well underway.

- 1.4 These changes will improve the quality of recyclables collected in Glasgow and creates an opportunity to develop a new MRF capable of processing the existing DMR stream, in addition to Fibre and Containers.
- 1.5 The new MRF is capable of processing up to 50k tonnes of recyclable material annually on a two-shift work pattern.
- 1.6 Recyclable material will be delivered as two separate streams – fibre (paper and card) and containers (cans, tins and plastics) which will be processed in batches.
- 1.7 The plant will be flexible and allow processing of a third stream consisting of a mix of fibre and containers, if required.
- 1.8 The design of the MRF has been based on an assumed split of 30k tonnes fibre and 20k tonnes containers annually.
- 1.9 A commodity team consisting of stakeholders from Neighbourhoods, Regeneration and Sustainability (NRS), SLR Consulting Limited and Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and deliver a new contract.

- 1.10 As part of the premarket engagement a PIN notice was issued on 4 July 2023 with 6 contractors confirming an expression of interest. A contractor engagement workshop was held with these contractors.
- 1.11 It was agreed that the Competitive Procedure with Negotiation process would be the most appropriate method to deliver this contract. The opportunity was advertised via UK Find a Tender Service and Public Contracts Scotland.
- 1.12 The duration of the contract is approximately 3 years, targeting full completion and acceptance of the MRF in March 2027 and end of defects liability in April 2028.
- 1.13 The life expectancy of the new MRF is twenty years.
- 1.14 The contract will be utilised by NRS.

2 Procurement Route and Evaluation Stages

- 2.1 This procurement project was conducted using the Competitive Procedure with Negotiation (CPN). The CPN was conducted over five stages:
 - Stage 1 – Invitation to Participate (April 2023)
 - Stage 2 – Invitation to Tender Initial Bids
 - Stage 3 – Negotiation Stage
 - Stage 4 – Invitation to Tender Final Bids
 - Stage 5 – Award (April 2025)
- 2.2 The Invitation to Participate stage included the submission, evaluation, and outcome of the Single Procurement Document (SPD).
- 2.3 The invitation to tender initial bid stage was for the Bidders taken forward from the SPD stage to submit their initial bids for the project. The initial bids stage concluded with the submission by Bidders of their respective initial bids, followed by an evaluation by the council and proceeding to the negotiation stage.
- 2.4 The purpose of the negotiation stage was to better understand, test and improve the initial bids presented at stage 2, the initial bids stage. This included two site visits to understand the elements of the proposed designs. The negotiation stage continued until the council was satisfied that negotiations were concluded, and one or more bidders were able to submit a fully developed final bid to meet the council's requirements for the project.
- 2.5 Futureproofing has been a key aspect of the negotiations and MRF design. The MRF incorporates innovative technologies, including robotic quality control sorters and A.I. driven optical sorting equipment. These new technologies allow the MRF to adapt to any future changes to input composition driven by emerging policy, legislation and behavioural change.

- 2.6 The invitation to tender final bid stage was for the Bidders to submit a fully developed final bid to meet the council's requirements for the project. The final bids were then formally evaluated.
- 2.7 The new MRF will be state-of-the-art and achieve high extraction rates and purity levels for targeted recyclable materials in line with an agreed contract performance schedule.

3 Evaluation

- 3.1 27 suppliers expressed an interest. Of the 27, 6 submitted an SPD bid at stage 1. Of the 6, 5 suppliers were invited to submit a bid at stage 2, one bidder failed Pre-Selection and was not taken forward in the process. Of the 5, 2 suppliers submitted a bid at stage 2.
- 3.2 Of the 27 suppliers that failed to respond, 4 cited that the project was not aligned to their core business, 1 did not think the project was deliverable, 1 advised the terms of the project are not financially viable.
- 3.3 The award evaluation was based on the following criteria and weightings: -

| Quality | Quality Sub Criteria |
|---------|--|
| 60% | Project Programme and Management 5% |
| | Technical Competence and Expertise 10% |
| | Technical Proposal 25% |
| | Footprint, and Access, Lifting and Maintenance (ALM) 15% |
| | Fair Work First 5% |
| Price | Price Sub Criteria |
| 40% | Capital Costs 20% |
| | Operating Costs 20% |

- 3.4 The evaluation of award scoring and award/evaluation value of the contractor which has been recommended for award is shown in the table below: -

| Supplier | Total Evaluation Score | Total Contract Value | Rank |
|----------------|------------------------|----------------------|------|
| Turmec Limited | 85.40 | *£15,247,313 | 1 |

*The total contract value will be subject to payment milestones over the term of the contract. This includes a Payment in Advance, as per the payments terms of the contract, and in compliance with respect to the test for evidence of compliance with each limb of Standing Order 13 of the council's Standing Orders relating to Contracts 2022.

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

4 Contract implementation and Supplier Management

- 4.1 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as a high. The contractor will be monitored in line with our contract and supplier management process which includes tracking the contractor's performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.
- 4.2 The agreed community benefits outcomes will be monitored via Cenefits which is a web based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

5 Policy and Resource Implications

Resource Implications:

Financial:

The estimated value of £15,247,313, will be met by a combination of £8,247,313 capital budget held by NRS and £7,000,000 grant funding support through the Scottish Government's Recycling Improvement Fund.

As a result of installing the robot sorters, there is no requirements for a quality control cabin or heating, ventilation, and air conditioning within the cabin, this results in a cost avoidance of £122,070 which is included in the above figure.

Legal:

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract.

Personnel:

The new MRF is a state-of-the-art facility which will create a diverse mix of work opportunities.

Procurement:

A tender process as set out in paragraph 1.13.

Council Strategic Plan:

This contract supports:

- Grand Challenge 1 and Mission 3.
- Grand Challenge 4 and Mission 1.
- Grand Challenge 3 and Mission 2.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25

Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

What are the potential equality impacts as a result of this report?

An EQIA was not required for this contract as there is no impact.

Please highlight if the policy/proposal will help Address socio economic disadvantage.

Fair Work First was included as part of the award criteria with a weighting of 5%. The contractor recommended for award, Turmec Limited, has confirmed the following 5 policies within its tender submission:

- Payment of at least the Real living Wage
- Provide appropriate channels for effective workers voice
- Investment in workforce development
- No inappropriate use of zero hour contracts
- Offer flexible and family friendly working practices for all workers from day one of employment

Community Benefits was included as part of the tender process. The contractor recommended for award, Turmec Limited, has confirmed the following outcomes:

- 10 x Supply Chain Briefings
- 10 x Business Mentoring
- 1 x Community Engagement - Financial Support (minimum £1k)
- 1 x Community Engagement - Non-Financial Support (min. 5 hrs.)

The proposal supports outcome 1 of the council's Equality Outcomes 2021 to 2025.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes - action 18, 43 and 45 are supported via this contract.

What are the potential climate impacts as a result of this proposal?

Improved recycling: Eunomia have modelled these recycling changes for kerbside properties will generate 1,054 tonnes of additional recyclable material annually, which could be processed by the new MRF. The new MRF has been modelled to extract an additional 9,085 tonnes of recyclable material compared to the current collection and processing arrangement; a major contribution towards the council's recycling performance.

Will the proposal contribute to Glasgow's net zero carbon target?

Yes as above. The key mitigations are as follows;-

the new recycling collection service for kerbside properties has been modelled to reduce CO2e emissions by 298 tonnes annually, with a further potential 5,692 tonnes reduction through the expansion of the new scheme to all properties.

The new MRF is expected to reduce CO2e emissions by 5,802 tonnes annually.

Privacy and Data Protection impacts:

No data protection impacts identified.

6 Recommendations

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Appendix A – Unsuccessful Suppliers

| Supplier | Total Evaluation Score | Rank |
|---|------------------------|------|
| GMI Europe Ltd Companies House Number 0791346 | 80.68 | 2 |