



recycling and waste management services

a brief guide to procurement
for universities and colleges

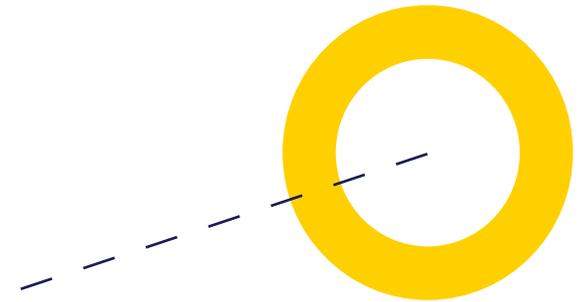


introduction

There are more than 150 universities in the UK, each of them with diverse requirements and specific needs. Our experience in this sector has taught us lessons that can be applied for the benefit of any university or college.

We recognise that selecting the best partner for providing your recycling and waste management services can be difficult.

This is why we have consulted our colleagues across the business as well as drawing on conversations with our customers in compiling this procurement guide.



We aim to:

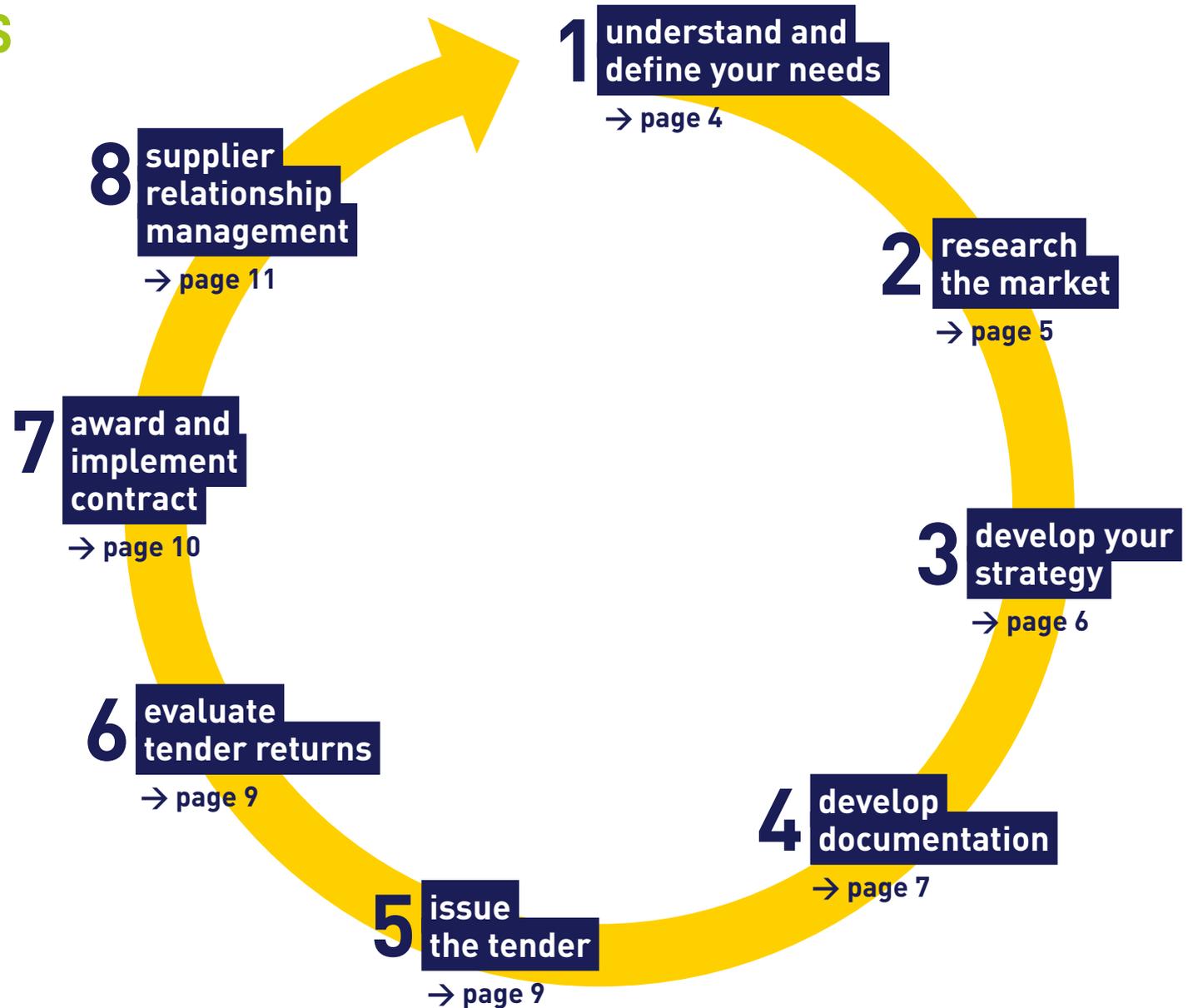
- ✓ **Provide practical advice that will help you avoid potential procurement pitfalls.**
- ✓ **Offer key pointers to specifying the most effective waste management service.**
- ✓ **Help ensure that both you and your stakeholders are clear on exactly what's required to procure efficiently.**

Clarity about your requirements is crucial – and achieving it involves careful consideration of your university's circumstances and priorities. Assembling the detailed information is essential to specify your needs and match a provider to them in a structured and efficient manner.

We hope that this guide will help you to procure recycling and waste management services more effectively.

eight-stage process

We believe the procurement process is best understood as a cycle with eight stages.



understand and define your needs

Understanding the needs of the university and defining them is the first stage of the procurement process.

We advise that you first develop your high-level specification by involving cross-functional stakeholders. To make your procurement project as efficient as possible, you need to engage with all key stakeholders at the beginning of the process to understand and align your stakeholder needs. This will ensure that any late document additions or changes are eliminated.

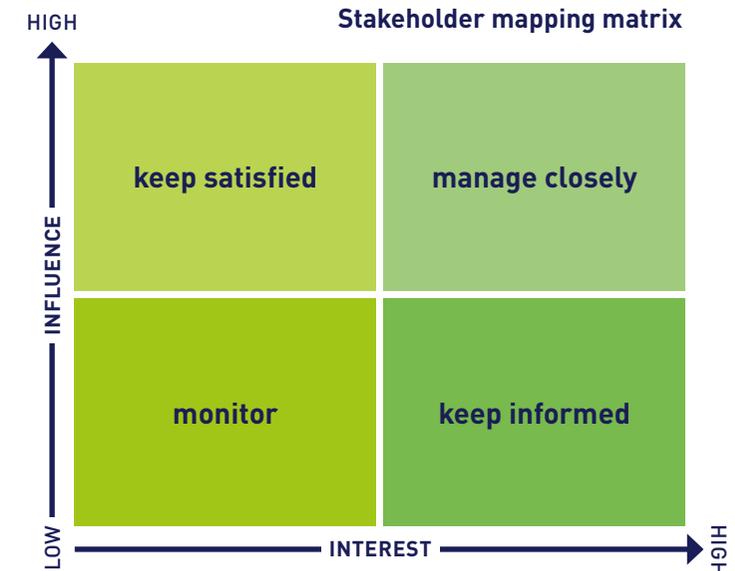
Colleagues responsible for managing or maintaining university facilities, budgeting and sustainability policy are obvious core stakeholders. Other colleagues – including the Vice Chancellor, third-party suppliers, such as caterers, and the students' union – may need to be consulted also. If the university organises events off-campus, and is responsible for the associated waste arising, then those site or event managers should be involved as well.

The matrix shown here is a simple model that can help you to map out your key stakeholders, and – by focusing on their influence and level of interest – define the frequency of communication and intensity of engagement appropriate to each group.

Begin your stakeholder engagement in good time. We recommend at least nine months before awarding the contract, as this will make for a smoother switchover post-tender. Early preparation not only helps you understand more clearly the needs and requirements of a wide range of stakeholders and gain their support, it also prepares everyone for any service changes that are going to occur when the new contract begins.

At this point, the specification should outline the scope of the services required, the main objectives to be achieved by the contract (general services desired, budgets and expected costs, its goals in terms of sustainability and social value) and how all these elements support and align with the university's overall strategy.

To support the creation of your specification, make sure you have a true understanding of your existing service from your existing supplier and review all available data.



As well as a high-level specification, you should also be looking to develop a business case at this stage if the service is going to expand or be improved in some way. This can cover the rationale for the changes and the benefits from the enhanced services – to be set against any additional costs that will be quantified later in the research phase of your procurement process.

Questions to ask yourself

Are we looking for 'like-for-like' services to match our existing contract or to make a significant change to service?

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research the market

There are many players in the UK waste management market, some may fit with your values, strategy and be able to meet your requirements better than others.

The most effective way to secure best value – and limit your procurement to a manageable number of those best suited to delivering your services – is to engage with a few potential suppliers and explore your options in the current market. There are various approaches to market research, but it should lead to a conversation with service providers to discuss your needs and to test what's feasible to include in your tender.

Having gathered information about market conditions, potential suppliers and their perspective on your service priorities, you and any other decision-makers will be better prepared to assess your requirements and re-evaluate them if necessary. Discussions around account management may also play a part as you explore a suitable fit with potential suppliers.

Questions to ask yourself

How complex are our service requirements?

How will we know that a contractor will be a good fit with our priorities?

Factors you should consider:

- ▶ **How feasible is it for a supplier to provide these services within our budget?**
- ▶ **What is the supplier's expertise in delivering services to the education market?**
- ▶ **Can the supplier evidence delivery of continuous improvement?**
- ▶ **Does the supplier set out different scenarios for different levels of service?**
- ▶ **How will the supplier provide information / performance data?**
- ▶ **Can the supplier provide accurate waste data through on-board weighing or do they use estimates?**

develop your strategy

You are now able to clearly define your objectives and make the various decisions that shape your service – on matters ranging from separation of materials such as plastics to the kind of bins, their locations on campus and collection frequencies.

Considering your business plan and internal consultations, you can also specify the service in a way that will meet the needs of your internal stakeholders and align fully with your university's overall strategy.

With the research phase completed, the knowledge of the market place that you've gained will be valuable in increasing your understanding of the potential risks and opportunities associated with recycling and waste services. You can then include this insight in your tender and seek to mitigate risks.

For example, lorry access may be restricted, or collections might cause disruption or increase risk to pedestrians in busy locations at particular times of the university day, which will need to be considered in selecting the best services. On the other hand, improvements on the existing service, ways to recover more materials for recycling, and efficiency savings may be identified which can be included in the tender.

It is also good practice to set key performance indicators (KPIs) at an early stage, so that you will be able to measure your chosen supplier's service performance accurately. This will also provide clarity for all those tendering for your contract – suppliers will know exactly what your priorities are and how you'll be looking to monitor the services they deliver.

Questions to ask yourself

What resource is required from the university to ensure the services requested can be delivered?

How well does the strategy fit with the university's overall strategy and stakeholder expectations?

When would be best for service delivery to begin for a smooth transition and to avoid disruption?

How can successful delivery be measured?

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prepare documentation

This stage is all about compiling the information needed for a successful tendering exercise.

It is crucial that the package you prepare includes all the documentation that will be essential for suppliers in preparing and pricing their bids to match your exact requirements.

Your tender documents should include: a detailed breakdown of existing waste volumes, expected service level agreements (SLAs), and terms and conditions.

The tendering package should also contain a specification that is sufficiently detailed to ensure you get consistency across the suppliers on pricing, product quality and operational functionality. This will help ensure that services are fit for purpose, mitigating the risk of unforeseen costs in the future.

Where information is lacking, suppliers will make assumptions that may not be accurate. Costs may be inflated as a result, or companies may opt not to bid. If your waste data is incomplete, you should look to undertake a waste audit before tendering, and SUEZ can provide this.

Be realistic about your expectations. Non-standard SLAs or prescriptive collection slots may inadvertently create barriers that increase costs, prevent efficient service delivery or could even result in potential suppliers withdrawing from bidding. Discussing any considerations that may require additional management with suppliers as part of your market research should avoid such problems.

DID YOU KNOW?

Waste management suppliers identify costs by adding together the operational cost of delivery and disposal costs. The disposal cost is dependent on several factors, including weight of bins. If there is no accurate data available, an estimated weight is used for at least part of the bid. Different companies will use different estimates. If pricing relies significantly on estimated weights, you will find it difficult to judge the bids that result from your tendering exercise.

Ideally, all data from the existing contract should be shared: collection frequencies; types of waste; weights of each type, including recyclables; bin specifications; and cost data. Suppliers will not only be able to submit more robust tenders, but in our experience, are more likely to identify efficiency savings and other cost-effective improvements to the service.

You also need to think through how you are going to compare and score the different bids.

If you haven't had the chance to discuss the evaluation criteria and respective weighting with your key stakeholders, this is a good time to do it.

As before, clarity – this time in your scoring metrics – will allow suppliers to provide the details you need from them. We recommend a non-numerical scoring scale: e.g. 'Strongly disagree, Disagree, Agree, Strongly agree' and so on.

A bid evaluation team should be put together at this stage. A cross-functional team of stakeholders and procurement team members helps ensure transparency, relevant knowledge and experience from across the university.

Members of the team should be asked to disclose any conflict of interest and sign a form to that effect.

Questions to ask yourself

Do all potential suppliers have access to the same information as the current supplier?

Invitation to tender – what to include in your package

Here's a suggested checklist of the information needed for a comprehensive tender package.

- ✓ An overview of the university's requirement for the services:
 - ▶ Identify any constraints or challenges that you are aware of, and priorities for the university you wish to highlight.
 - ▶ Outline the present service and improvements the university is seeking now and in the future.
- ✓ Waste data including weights, frequency of collection, bin type, composition and arisings – e.g. annual tonnages by material stream.
- ✓ Existing assets – e.g. plant and equipment.
- ✓ Bin locations, including:
 - ▶ A site map, so that potential suppliers can assess the logistical requirements for providing the service.
 - ▶ Any requirements to use keys / access codes. SUEZ recommends upgrading to digital systems with codes to minimise the risk of disruption to your service.
- ✓ Background information on social, financial and geographical context.
- ✓ Clear definition of terminology, where necessary.
- ✓ Clarification of what is and is not negotiable.
- ✓ Contractual terms and conditions.

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issue the tender

Whether the university is part of a procurement consortia, approaching suppliers directly or using electronic platforms such as listing in the Official Journal of the European Union, it is important when issuing the tender to:

- ▶ **Provide your detailed service specification.**
- ▶ **Attach or link to all documentation developed around your university's requirements.**
- ▶ **Set out clear and realistic timescales for responses.**

Potential suppliers may have questions about the content of the tender package and request clarifications or missing information. These queries should be recorded and retained post-tender to evaluate the effectiveness of your tender package and inform the next tender cycle.

It is also best practice to share your responses to these requests with all potential suppliers (anonymised to protect confidentiality) to ensure a level playing field.

Questions to ask yourself

Is the timescale for responses, evaluation and mobilisation adequate?

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evaluate tender returns

Once the deadline for bid submissions is reached, the evaluation team should meet to validate them and assess the offers in order to select the preferred supplier.

Tender evaluation should be carried out in a structured, disciplined and transparent manner, using the criteria you've previously established. It is important to adhere to that framework to ensure the tender competition is fair.

As well as comparing prices, most tender evaluations also cover technical capability, capacity, quality of service and financial health.

Along with credit and reference checks, at this stage a post-tender meeting with the preferred supplier often takes place. Your team may also wish to visit the supplier and/or their processing facilities.

Questions to ask yourself

Is there anything else we need to clarify with our preferred supplier before finalising the award?

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award and implement contract

Once the final decision has been made and your choice of supplier has been confirmed, the contract is developed. This will ensure that both parties fully understand their obligations and the criteria that will determine the success of the service.

This agreement forms the foundation for managing the contract and relationship effectively.

With the contract and all terms agreed, the award can be communicated and the implementation process can begin. Both parties need to agree clear timescales and parameters, which should be shared with all relevant stakeholder groups, to manage the mobilisation effectively.

This is also another opportunity to pass on any further information from the incumbent about the existing service to the incoming provider, so they can ensure as smooth a transition as possible.

Suppliers who submitted unsuccessful bids should also be informed and offered feedback, outlining the reasons why their proposals were unsuccessful. This helps promote continuous improvement and healthy competition in the sector.



Questions to ask yourself

Is there anything else that needs to be done to ensure a smooth changeover to the new service?

manage the supplier relationship

Early engagement with suppliers helps foster an open and productive relationship between the university and the service provider. This will encourage both sides to collaborate on ways to streamline processes and enhance the service.

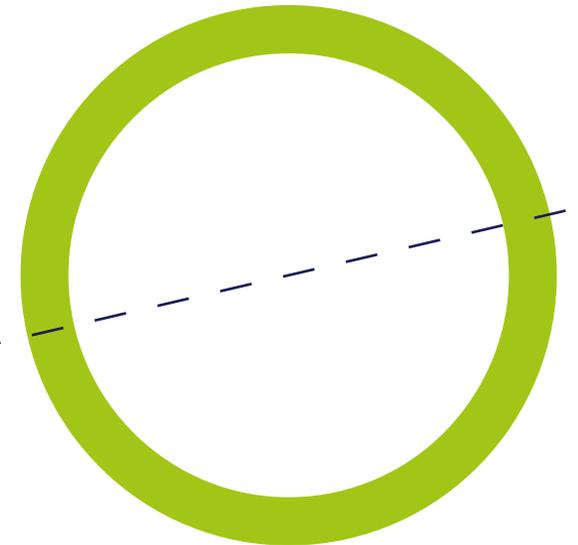
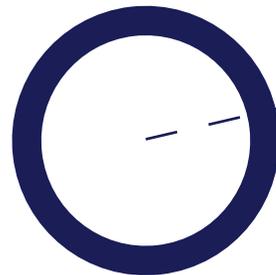
It is important that there is transparency and clarity about the roles of both the university's service manager and the supplier's account manager. Having scheduled meetings and a clear understanding of who to contact at your service provider will help ensure a good working relationship and efficient service.

This, in turn, will not only help ensure reliable delivery of high-quality services, but also promote a full and open exchange through two-way communication.

In our experience, close collaboration is an enabler for realising efficiencies, continuous improvement and adding value. Co-locating bins strategically, increasing recycling take-up, or identifying new material streams suitable for recovery are a few examples of outcomes resulting from close collaboration.

Questions to ask yourself

How will we engage with our supplier to encourage innovation and continuous improvement?



conclusion

To summarise, here are eight key points that are crucial for running a successful procurement of your recycling and waste management service.

- 1 Involve and engage cross-functional stakeholders** early on in the procurement process.
- 2 Conduct your own market research.**
- 3 Spend the necessary time defining your objectives, specification, key performance indicators, contract terms and conditions to provide clarity for all potential suppliers.**
- 4 Prepare accurate, detailed data** to ensure you get tender responses that offer best value and fit with your needs.
- 5 Use your objectives and lessons learnt from earlier stages to design and issue a tender which meets your needs.**
- 6 Evaluate the tenders in a structured, disciplined and transparent manner, making time for post-tender clarifications and feedback for both your chosen supplier and those that have not been selected.**
- 7 Inform all internal stakeholders and outline how the new contract is to be implemented.**
- 8 Build and strengthen your relationship with the supplier** by collaborating on improvement and development plans early, as this will help your supplier to add value to the service.

Over the years, SUEZ has gathered rich feedback from tendering for contracts in the education sector. This guide is intended to share the insights from our experience to promote best practice, help improve the procurement process and encourage more universities to unlock added value in their recycling and waste management services.

more information

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