

DEPARTMENT FOR INFRASTRUCTURE

SUBMISSION OF TENDER DOCUMENTS:

TRANSPORT AND TREATMENT OF REFUSE DERIVED FUEL FROM

GUERNSEY

(Exempt : Articles 33(b) and 34(b))

Purpose of the Report

To seek approval from the Minister for the submission of tender documents to the Channel Islands Tender Portal in respect of bids for the treatment of Refuse Derived Fuel (RDF) from Guernsey.

Background

For some years the States of Guernsey has been considering the best way to treat waste arising from their Bailiwick. In 2012 they commenced initial investigative work to seek options for shipment of waste off Island for processing in other jurisdictions. This culminated in a report to the States of Deliberation in Guernsey seeking guidance on the way forward. In 2015 this work progressed to a formal tender process, with the Transport and Technical Services department (as it then was) becoming one of the pre-qualified bidders for the main tender in October 2015.

The opportunity to accept Guernsey Waste will be enhanced should the States approve the introduction of solid waste charges as proposed in the Medium Term Financial Plan, which is likely to reduce the volumes of commercial waste being processed by the EfW as recycling becomes more financially attractive.

The Department has engaged [REDACTED] to assist with the bid preparation work and the Minister and Senior Officers have been involved in detailed discussions on the content of the bid. In addition, support of the Chief Minister has been sought to gain comfort over the bid itself and the principle of importation and processing of Guernsey waste.

Prior to acceptance of the tender, the States of Jersey Assembly will have to approve the importation of waste for processing, as required under P17/2010. The bid will be submitted with this proviso.

Discussion

The tender submission will be based on a compliant bid with the States of Jersey acting as lead Service Provider, engaging [REDACTED] and [REDACTED] as sub-contractors for handling and shipment of waste to the Jersey plant.

[REDACTED]

A non-compliant bid will also be submitted, consisting of just the treatment element of the proposal as well, in order that the States of Guernsey could choose to separate the tender process into packages if required.

Discussions and meetings have been held with the various interested parties over the last few months and this has culminated in a tender which the department believes is beneficial to the Islands of Jersey and Guernsey, is economically viable for both Islands and one which does not place the Public of Jersey at a disadvantage.

The bid price has been constructed based on projections for operating costs, maintenance and repairs, electricity generation and taking into account various quantities of waste arisings from Jersey and Guernsey.

The treatment of Refuse Derived Fuel (RDF) from Guernsey will generate additional waste by-products. It is proposed that the export of APCr continues and that in line with the Department's Ash Strategy, further work continues to identify and procure outlets for the IBA by-products.

Conclusion

The importation of RDF from Guernsey and treatment in the Jersey EfW plant will be economically advantageous to the Island, ensuring that the plant is running at optimal load, local transport links are maintained and that the Channel Islands "pound" is kept (as far as is practicable) within the Channel Islands. The proposals to introduce waste charges in Jersey (contained within the MTFP 2016-2019) will result in a projected drop in waste delivered to the EfW plant, the importation of RDF from Guernsey will help to ensure a lower "per tonne" operating cost to Jersey by offsetting much of this reduction in throughput.

Recommendation

The Minister is asked to approve the tender submission proposed.

Reason(s) for Decision

To endorse the submission of tenders for treatment of RDF from Guernsey, maximising utilisation of the EfW plant and reducing net operating costs for the Jersey public.

Resource Implications

Should the tender bid be successful, the additional variable and marginal fixed operating costs of the plant (including additional projected maintenance) will be covered, and a contribution to the fixed operating costs will be made, reducing the overall cost to the department. In addition, other benefits to the Jersey economy will



be received, such as GST from the sale of services, harbour dues from importing waste, ensuring additional sea-freight on under-used routes etc.

Action Required

Assistant Director – Waste Operations to upload tender documents to the Channel Islands Tender Portal in support of the bid by the Department for Infrastructure.

Written by: Finance Director

Approved by: Chief Officer

Endorsed by: Assistant Director – Waste Operations

