



EXPRESSION OF INTEREST

Expression of Interest Project Title (EOI)	Eastern Metropolitan Regional Council Resource Recovery Facility
Contract Description	Establishment of a Resource Recovery Facility for the Eastern Metropolitan Regional Council
EOI Number	2009-10
Closing Date	4 pm Australian Western Standard Time, Monday 22 June 2009
Project Briefing	10am Australian Western Standard Time, Thursday 21 May 2009
Address for Delivery	Online: www.tenderlink.com/emrc OR: Eastern Metropolitan Regional Council 1 st Floor, Ascot Place, 226 Great Eastern Highway Belmont Western Australia 6104

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1 EMRC REQUEST

The purpose of using an Expression of Interest (EOI) for this project is to make a preliminary selection of Acceptable Tenderers from the EOI Respondents. The EOI process will also be used to collect information from the respondents which will assist the Eastern Metropolitan Regional Council (EMRC) finalise key project planning decisions.

1.1 DEFINITIONS

Below is a summary of some of the important defined terms used in this Expression of Interest.

Defined Term	Explanation
Attachments:	The documents you attach as part of your Submission.
Anaerobic Digestion:	The break down of organic materials either occurring naturally or under controlled conditions in the absence of oxygen. The carbon content of the material is released as methane or biogas (also known as landfill gas), rather than carbon dioxide.
Contract	A contract that may be entered into by the EMRC following consideration of tenders received in response to a Request for Tender.
Contract delivery models:	The alternative methods for procurement of the project.
Deadline:	The deadline for lodgement of your Submission.
Eastern Region:	The geographical region in Western Australia which encompasses the districts of the Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and the City of Swan.
Energy from Waste (EfW):	The chemical break down of waste under high temperature conditions to produce, among other things, energy.
EMRC:	Eastern Metropolitan Regional Council.
Expression of Interest (EOI):	This document.
Mechanical Biological Treatment (MBT):	A group of RRF technologies that processes the waste stream by mechanically removing some of the materials and biologically treating the organic component.
MGB:	Mobile garbage bin used to collect waste.

Municipal solid waste (MSW):	For the purposes of this EOI, MSW is classified as household domestic waste that is set aside for kerbside collection in a MGB. MSW can also include some commercial waste such as waste from food preparation premises, supermarkets etc. which is collected as part of domestic waste collection rounds.
Principal:	The EMRC.
Request for Tender	An invitation that may be issued by the EMRC to Acceptable Tenderers as a result of this EOI process.
Requirements:	The goods and/or services requested by the EMRC.
Respondent:	A person or company that has or intends to submit a Submission in response to this Expression of Interest.
RRF:	Resource Recovery Facility. Also known as an Alternate Waste Treatment Facility for the processing of MSW.
Selection Criteria:	The criteria used by the Principal in evaluating Submissions.
Special Conditions:	The additional contractual terms (if any).
Specification:	The statement of Requirements for goods and/or services the Principal's Expression of Interest may request you to provide if selected as an Acceptable Tenderer through this Expression of Interest.
Submission:	Your completed Response Forms, response to the selection criteria and Attachments.
Tender Evaluation Committee (TEC)	A committee likely to be made up of Councillors, Council Officers and technical consultants that will evaluate the EOI submissions.
Tenderlink	The EMRC tendering portal that allows for the electronic download of the EOI and upload of the completed submission. The system also allows for communication between the Respondent and the Principal.
Term Sheet	A summary of the key contractual conditions that would apply under a future Contract and as contained in Appendix C .

1.2 HOW TO PREPARE YOUR SUBMISSION

- (a) Carefully read all parts of this document.
- (b) Ensure you understand the Requirements (Part 1).
- (c) Complete the Response Forms and your response to Selection Criteria and information required by the EMRC planning decisions within Parts 2 and 3 and attach your Attachments.
- (d) Make sure you have signed the Response Form and responded to all of the Selection Criteria in the correct format.
- (e) Lodge your Submission before the Deadline.

1.3 ENQUIRIES AND REQUESTS

Respondents should consult the Tenderlink website or contact Tenderlink Customer Support on 1800 233 533 for general information and/or assistance.

Respondents must direct all generic contractual and specification enquiries and requests to the Tenderlink online forum: www.tenderlink.com/emrc. The Principal will respond to all forum requests (where appropriate), and responses will be forwarded to all Tenderlink-registered Respondents via the Tenderlink Forum, without disclosing the source of the enquiry.

Enquiries or requests which may contain or relate to commercially confidential information should be sent to the following secure email address: onlineforum@emrc.org.au. The Principal will review the enquiry / request and determine if it contains or relates to commercially confidential information and should not be referred to other Respondents. If the enquiry / request is found to be commercially confidential, a direct confidential response will be provided to the Respondent, and a generic response without reference to the commercially confidential response may be posted on the forum where relevant to other Respondents.

If the Principal determines that the request is not commercially confidential, the request will not be directly responded to and the Respondent will be invited to make the enquiry / request through the Tenderlink online forum.

Respondents should not rely on any information provided by any person(s) / methods other than those listed above.

1.4 PROJECT BRIEFING

Attendance at this briefing is not mandatory.

Respondents are invited to attend a briefing on **Thursday 21 May 2009 at 10.00 AM Australian Western Standard Time**.

The location of the briefing is at the EMRC offices, 1st Floor, Ascot Place, 226 Great Eastern Highway Belmont Western Australia 6104.

The briefing will provide Respondents with the opportunity to clarify any uncertainties with the EMRC prior to the closing of the EOI. Any material presented at the briefing and minutes of the briefing will be posted on the EMRC Tenderlink site (www.tenderlink.com/emrc).

Please confirm via email at briefing@emrc.org.au of your attendance at this briefing no later than **Tuesday 19 May 2009**.

1.5 CONDITIONS OF RESPONDING

1.5.1 DELIVERY METHOD

It is preferred that Submissions are lodged in the Electronic Tender Boxes at www.tenderlink.com/emrc by the time and date nominated.

Alternatively, Submissions may also be:

- (a) delivered by hand to EMRC, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 (by the Respondent or the Respondent's private agent); or
- (b) sent by mail to the EMRC, addressed to The CEO, EMRC, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104. Mailed Submissions must be received by the EMRC in time to be placed in the tender box prior to the Deadline. Late Submissions will not be assessed.

Email and facsimile Submissions will not be accepted.

1.5.2 LODGEMENT OF SUBMISSIONS

The Submission must be lodged by the Deadline. The Deadline for this Request is **Monday, 22 June 2009 at 4 pm (Australian Western Standard Time)**.

All Submissions must:

- (a) be clearly endorsed with the EOI number and titled as shown on the front cover of the EOI; and
- (b) have all pages numbered consecutively with the inclusion of a contents page.

The Principal requires that the Submission is divided into two separate parts in order to keep the Respondents financial information confidential: (1) Technical Submission and (2) Financial Submission.

Submissions made electronically via the EMRC's electronic tendering website (www.tenderlink.com/emrc) must:

- (a) contain one (1) complete PDF version of the Technical Submission (including all Attachments), and one (1) Microsoft Word (MS Word) version of the Technical Submission (excluding all Attachments) which will be uploaded to **Tender Box 1**; and
- (b) contain one (1) complete PDF version of the Financial Submission (including all Attachments), and one (1) MS Word version of the Financial Submission (excluding all Attachments) which will be uploaded to **Tender Box 2**.

All Submissions made via the EMRC's electronic tendering portal (www.tenderlink.com/emrc) are time and date stamped. Respondent's submitting an online submission are required to have fully uploaded their EOI prior to 4pm Australian Western Standard Time on the due date. Once the submission has been successfully loaded an automatic "successful submission" notice will be generated. Submissions will not be accepted if the uploading process begins after 4pm.

Hard copy Submissions must comprise:

- (a) one (1) package labelled "Technical Submission" and include:
 - i. one (1) unbound (not stapled) signed copy of the Technical Submission; and
 - ii. one (1) compact disc (CD) version of the Technical Submission, including:
 - one (1) complete PDF Version of Technical Submission (including Attachments); and
 - one (1) MS Word (text) version of the Technical Submission (excluding Attachments), and
- (b) one (1) envelope labelled "Financial Submission" which includes:

- iii. one (1) unbound (not stapled) signed copy of the Financial Submission; and
- iv. one (1) CD version of the Financial Submission, including:
 - one (1) complete PDF Version of Financial Submission (including Attachments); and
 - one (1) MS Word (text) version of the Financial Submission (excluding Attachments).

All hard copy packages must be clearly labelled with the EOI number and the EOI title as well as the Submission title (i.e. Technical or Financial Submission).

1.5.3 REJECTION OF SUBMISSIONS

A Submission shall be rejected without consideration of its merits in the event that it is not submitted at the time and at the place specified in the EOI, and may be so rejected if it fails to comply with any other requirements of the EOI.

1.5.4 LATE SUBMISSIONS

Submissions received after the Deadline will not be accepted for evaluation.

1.5.5 ACCEPTANCE OF SUBMISSIONS

Unless otherwise stated in this EOI, Submissions may be for all or part of the Requirements and may be accepted by the Principal either wholly or in part. The Principal is not bound to accept and may reject any or all Submissions submitted. The acceptance of a Submission does not oblige the Principal to proceed to issuing a request for tender or accepting a submitted tender.

1.5.6 DISCLOSURE OF CONTRACT INFORMATION AND DOCUMENTS

Documents and other information relevant to the contract may be disclosed when required by law under the *Freedom of Information Act 1992* or under a Court order.

1.5.7 SUBMISSION VALIDITY PERIOD

All Submissions shall remain valid and open for acceptance for a minimum period of five (5) months from the Deadline.

1.5.8 EMRC EOI AND TENDER PROCESS

Submissions shall be deemed to have been made on the basis that the Respondent accepts and agrees to comply with the EOI and tender process proposed by the EMRC and detailed in this EOI.

1.5.9 RESPONDENTS TO INFORM THEMSELVES

Respondents shall be deemed to have:

- (a) examined the EOI and any other information available in writing to Respondents for the purpose of submitting an EOI;
- (b) examined all further information relevant to the risks; contingencies, and other circumstances having an effect on their Submission which is obtainable by the making of reasonable enquiries;
- (c) satisfied themselves as to the correctness and sufficiency of their Submissions including submitted indicative prices which shall be deemed to cover the cost of complying with all the conditions of responding and of all matters and things necessary for the due and proper performance and completion of the work described therein; and
- (d) acknowledged that the Principal may pre qualify EOI Respondents as acceptable Tenderers. EOI evaluations shall be carried out in good faith.

1.5.10 ALTERATIONS

The Principal shall issue an addendum to all Respondents where matters of significance make it necessary to amend the issued EOI documents before the Deadline. The Respondents shall not alter or add to their Submissions unless required to do so in response to such an addendum.

1.5.11 OWNERSHIP OF SUBMISSIONS

All documents, materials, articles and information submitted by the Respondent as part of or in support of a Submission shall become upon submission the absolute property of the Principal and will not be returned to the Respondent at the conclusion of the Submission process PROVIDED that the Respondent shall be entitled to retain copyright and other intellectual property rights therein, unless otherwise provided by the Contract.

1.5.12 CANVASSING OF COUNCILLORS

If a Respondent, whether personally or by an agent, canvasses any of the Principal's commissioners or councillors (as the case may be) with a view to influencing the acceptance of any Respondent, then regardless of such canvassing having any influence on the acceptance of such Submission, the Principal may at its discretion omit the Submission from consideration.

1.5.13 IDENTITY OF THE RESPONDENT

The identity of the Respondent is fundamental to the Principal. The Respondent shall be the person, persons, corporation or corporations named as the Respondent in Part 2 and whose execution appears on the Response Form by Respondent in Parts 2 and 3 of this EOI.

1.5.14 PROVIDE INFORMATION FOR APPROVALS

The Respondent agrees, on the basis of making a Submission, to provide information requested by the EMRC, and required by the EMRC to seek and obtain environmental and town planning approvals for the RRF project. This may include, among other things, details of modelling results and other data relating to the potential environmental impacts of the RRF.

1.5.15 PROVIDE ALL REQUESTED INFORMATION

The Respondent agrees, on the basis of making a Submission, to provide additional information requested by the EMRC, for the purpose of assessing the Submission.

1.5.16 PROBITY

Stantons International has been appointed as an independent probity advisor / auditor to oversee the process from a probity perspective. Any issues regarding probity aspects of the process should be referred to Mr Kevin Donnelly or Ms Barbara Giudici on +61 8 9481 3188 or kdonnelly@stantons.com.au or bgiudici@stantons.com.au.

1.6 PROJECT BACKGROUND

1.6.1 THE PROJECT

The EMRC is implementing a resource recovery project for the Eastern Region of Perth. This project will involve a number of initiatives, including the establishment of a Resource Recovery Facility (RRF) to process municipal solid waste (MSW). The EMRC is therefore seeking EOIs in the form of Submissions from suitably qualified and experienced parties for the establishment of a RRF.

Currently all Member Councils non-recycled waste generated within the Eastern Metropolitan Region is landfilled at the EMRC-owned and operated Red Hill Waste Management Facility. The establishment of a RRF would assist the EMRC in diverting a significant amount of this waste from landfill by converting it into usable and marketable products such as compost, recyclables and/or energy.

Based on waste surveys and projections, the expected initial capacity of the RRF is likely to be within the range of 60,000 – 150,000 tonnes per annum if a biological treatment technology is implemented or 90,000 – 200,000 tonnes per annum if a thermal treatment technology is implemented. The establishment of the RRF may be in stages, which may include the addition of one, or a number of similar or different resource recovery technologies. The RRF may process MSW from within the Region and from other sources arranged by the EMRC.

Waste from verge side bulk collections, public place collections and self hauled waste will not be sent to the EMRC's proposed RRF. In addition, greenwaste (non kerbside) will be processed independently of the RRF's operations.

1.6.2 THE REGIONAL COUNCIL

The EMRC was formally constituted in 1983, and includes six participating Member Councils:

- Town of Bassendean;
- City of Bayswater;
- City of Belmont;
- Shire of Kalamunda;
- Shire of Mundaring; and
- City of Swan.

Collectively, the EMRC's six Member Councils cover a geographic area that extends over one-third of the Perth metropolitan area (2,100 sq km). The respective locations of each Member Council within the EMRC boundary are shown on **Figure 1 (Appendix A)**.

The EMRC currently has a population of approximately 300,000 people, and this number is expected to increase to 400,000 by 2030. Based on expected population increases, MSW quantities generated in the Region are also expected to increase from a total of approximately 160,000 tonnes at present to 225,000 tonnes by 2030.

The EMRC was originally established with a designated purpose to manage and dispose of the Region's waste. Although the EMRC's range of services has since expanded to include other areas such as regional development, environmental services and risk management. Waste management is still considered as the Council's primary role.

The EMRC's general purpose is reflected in their Mission Statement as follows:

The Eastern Metropolitan Regional Council, by partnering with member Councils (and other stakeholders) facilitates strategies and actions for the benefit and sustainability of Perth's Eastern Region.

The EMRC currently has a workforce of approximately 70 employees who work across four business units (Corporate, Waste Management, Resource Recovery and Regional Services). The EMRC's operations are governed by the Council which comprises of 12 Councillors (two Councillors from each Member Council), with another six Councillors (one from each Member Council) appointed to deputise in their absence. The Chair of the Council is elected by the Councillors.

The EMRC administration office is located at 226 Great Eastern Highway, Belmont, WA approximately 7km east north-east of the Perth City centre. The location of the office is shown on **Figure 1 (Appendix A)**.

1.7 PROJECT MANAGER

The EMRC has appointed the Cardno / Meinhardt Joint Venture (JV) to provide Project Management services for the Resource Recovery Project, including the establishment of the RRF. The JV is contracted to complete the following key tasks during and after the EOI and tender processes:

- Prepare the EOI documentation;
- Respond to EOI queries;
- Assist in the evaluation of EOI responses;
- Finalise and issue a 'Preferred Options Report' which details the JV's recommendations for the choice of site, technology and Contract Delivery Model;
- Manage the environmental and town planning approvals process on behalf of the EMRC, including preparation of submission documents;
- Prepare tender documentation;
- Assist in the evaluation of tender responses; and
- Assist in the negotiations and formulations of contracts.

Mr Stephen Fitzpatrick, Manager of Project Development, has responsibility within the EMRC administration for the day to day management of the Resource Recovery Project.

2 EVALUATION PROCESS AND CRITERIA

2.1 EXPRESSION OF INTEREST PROCESS

This document is an EOI.

The EOI is the first stage of a two-stage process. Following the close of the EOI the Principal may proceed to the calling of a restricted Request for Tender (RFT) (refer to **Section 2.2** below). The issuing of an EOI does not commit the Principal to proceeding with a RFT, or accepting a tender submitted in response to that request.

Eligibility to participate in the RFT will be restricted to tendering entities who comply with the provisions of this EOI and who are accepted by the EMRC as being Acceptable Tenderers. Therefore parties that have not submitted an EOI and been designated as an Acceptable Tenderer will not be invited to tender.

The making of a Submission does not commit the Principal to include any organisation on the list in the event that the project proceeds.

Submissions will be evaluated by a Tender Evaluation Committee (TEC) using information provided in the Submission and on information obtained from referees and from interviews with or questions asked by the TEC.

Evaluation of the EOI responses will not be assessed against weighted scores but will be based on an overall assessment of capacity and capability demonstrated by the responses provided to each of the Criteria. In accordance with the Western Australian Local Government (Functions and General) Regulations 1996, the Principal will determine which Respondents have demonstrated an ability to undertake the requirements of the project rather than "shortlisting" Respondents to a predetermined number.

The following evaluation methodology will be used to assess the Submissions:

- (a) Submissions will be checked for completeness and compliance. Submissions that do not contain all information requested (e.g. completed Submission Form and Attachments) may be excluded from evaluation;
- (b) Submissions will be assessed against the Selection Criteria;
- (c) Respondents may be required to clarify their Submission, make a presentation, demonstrate the product offered and/or open premises for inspection. Referees may also be contacted prior to the selection of the Acceptable Tenderers; and
- (d) Respondents who meet all required criteria may be selected by the EMRC as Acceptable Tenderers and invited to partake in the RFT process, provided the Principal decides to proceed with the RFT process.

All respondents will be formally notified of the outcome of the EOI assessment process.

The Principal will use the information obtained during the EOI process to make some key project planning decisions in relation to the preferred waste treatment technology, waste collection system, Contract Delivery Model for the project and siting of the RRF. These decisions will be made after Acceptable Tenderers have been determined and are expected to be finalised prior to commencement of the RFT process.

The Principal will obtain the necessary environmental (under Part IV of the *Environmental Protection Act 1986*) and town planning (zoning) approvals after the project planning decisions have been made, and prior to the commencement of the RFT process. This is expected to take between 12 months and 18 months and will establish the conditions of approval set by the State Government that Acceptable Tenderers will have to take into account. The approvals process is detailed further in **Section 4.6** of this document.

2.2 REQUEST FOR TENDER PROCESS

The RFT invitation will specify the chosen Contract Delivery Model, waste collection system, the acceptable technology or technologies and site for the RRF. The invitation will also contain:

- details of the tender process to be followed;
- information to be provided by the Tenderers;
- the tender evaluation methodology;
- a draft version of the Resource Recovery Facility Agreement (RRFA);
- a copy of the site lease; and
- a copy of the Ministerial Statement outlining the conditions of the environmental approval.

The Principal recognises that some Acceptable Tenderers may have based their EOI Submission on a technology, site and/or Contract Delivery Model that has been subsequently excluded from further consideration by the EMRC. Irrespective of this, all Acceptable Tenderers selected by the EMRC in the EOI process will be invited to tender. Such Acceptable Tenderers will be able to either choose not to submit a tender, or submit a tender that complies with the requirements of the Principal as detailed in the RFT.

2.3 EXPRESSION OF INTEREST / TENDER PROGRAM

The following program (Table 1) is proposed for the EOI and tender processes. Respondents should be aware that the program has been provided as a guide and is subject to change at the discretion of the Principal. This program assumes that a Public Environmental Review (PER) process will be required by the Environmental Protection Authority (EPA) for the RRF, however a lower level of assessment and therefore shorter approval process could apply.

Table 1 Expression of Interest and Tender Program

Activity	Date
Call for EOI submissions	9 May 2009
Project Briefing	21 May 2009
Close of EOI submissions	22 June 2009
Inform all EOI Respondents of the 'acceptable Tenderers'	September 2009
Finalise planning decisions	September 2009
Commence environmental and town planning approvals* ¹	September 2009
Request for Tender issued	April 2011
Close of Tender submissions	September 2011
Evaluation of Tender submissions	January 2012
Finalise RRF contract	August 2012
Complete construction of RRF	November 2013
Complete wet commissioning of RRF	March 2014

Note: 1. The environmental and town planning approval process is expected to take between 12 and 18 months to complete.

2.4 SELECTION CRITERIA

As outlined in **Section 5** and **6**, Respondents are to address the criteria listed in **Tables 2** and **3** below in the same order stated. Detailed responses on each criterion are required in accordance with the definition provided.

2.4.1 MANDATORY CRITERIA

These criteria will not be point scored. Each Submission will be assessed on a Pass / Fail basis as to whether the criterion is satisfactorily met. An assessment of "Fail" against any of the mandatory criterion may eliminate the Submission from consideration.

Table 2 Mandatory Criteria required to be addressed by Respondents

1) Performance of process
<p>Definition:</p> <p><i>The proposed process has demonstrated maturity and successful performance. This will be based on the number and age of existing operational reference facilities treating MSW, as well as the performance of the process. Technology must be proven in a sustained commercial operation at one or more facilities of a relevant scale and processing similar waste to that specified in Section 3.2.</i></p> <p>Respondents must provide the following information for this criterion to be assessed:</p> <ul style="list-style-type: none"> a) Details of existing reference facilities processing MSW, including: <ul style="list-style-type: none"> i) Number of facilities. ii) The current stage of development of each facility: <ul style="list-style-type: none"> - pilot; or - demonstration; or - commercial operation. iii) Years operating at each stage (i.e. Facility "X" operated as a pilot plant for "Y" years, and has been operating as a commercial plant for "Z" years). iv) Processing capacity of each facility. b) Evidence (in the form of test results, accreditation or appropriate reports) of how the process performs to all relevant standards.
2) Respondent's track record
<p>Definition:</p> <p><i>The Respondent has suitable experience in successfully implementing similar projects. This includes the design, construction, commissioning, operation and maintenance of the RRF proposed or similar facilities.</i></p> <p>Respondents must provide the following information for this criterion to be assessed:</p> <ul style="list-style-type: none"> a) Details of the Respondent's experience and role in successfully completing similar projects to the project described in this EOI and the role played by the Respondent in those projects; b) Details of the Respondent's resources, including key team members': <ul style="list-style-type: none"> - role and experience in the delivery of similar projects; and - relevant expertise in the sector.

2.4.2 OTHER CRITERIA

In determining the Acceptable Tenderers, the TEC will score each Respondent against the additional criteria provided in **Table 3**.

Assessment against these criteria will be used to determine the Respondent's ability to undertake the requirements of the project.

In preparing details for this response, assume that the capacity of the MBT (Anaerobic Digestion) facility will be either 60,000 tonnes per annum of source separated organic kerbside waste or 100,000 tonnes of kerbside collected MSW. Please provide details for both. For an EfW facility assume a capacity of 100,000 tonnes per annum of kerbside collected MSW.

Table 3 Other Criteria Required to be Addressed by Respondents

Assessment Criteria	Description of Criteria and Information Required in Submission
Technical Criteria	
3) Energy Production	<ul style="list-style-type: none"> The net amount of usable energy produced by the process in terms of surplus electricity (MWe) and surplus heat (MWt); and The quantity and quality of biogas (m³/tonne organic fraction of MSW) – for Anaerobic Digestion technologies ONLY.
4) Flexibility of system regarding processible waste composition	The technology's flexibility to accommodate variations in waste composition based on the range of waste composition that can be effectively processed.
5) Flexibility of system regarding processible waste quantity	<ul style="list-style-type: none"> The modularity and / or expansion capabilities of the proposed RRF; and The capacity range, for the process proposed in this EOI, required to achieve optimum cost effectiveness.
6) Diversion of Waste from Landfill	The amount of waste (as a percentage of the amount of input waste) that the facility diverts from landfill on a dry basis.
7) Production of Marketable Products	<p>The process, and in the case of the Build Own Operate (BOO) option (as defined in Section 4.1), the Respondent's technical ability to produce marketable products compliant with relevant regulatory quality standards and market requirements.</p> <p>Provide the details of:</p> <ul style="list-style-type: none"> the type and quantity of marketable products produced; and the Respondent's experience in producing and marketing these or similar products.
8) RRF Footprint	The area of land (m ²) required to operate and maintain the RRF. This includes any additional land required for services and access roads on the site, but not access to the site.
9) Future Opportunities / Innovation	The Respondent's and the technology's ability to incorporate improvement opportunities and technological and operational innovations in the future. Provide details of how future improvements and technical and operational innovations can be incorporated into the RRF.

Assessment Criteria	Description of Criteria and Information Required in Submission
10) Complexity and Operability	The level of complexity involved in operating and/or maintaining the RRF. Provide an outline of the key operational and maintenance tasks that are necessary to run the proposed facility.
11) Reliability of Technology	The reliability of technology based on the number of reference facilities and online availability of these facilities.
12) Service Requirements (power, water, gas)	The utility services required to operate and maintain the RRF (e.g. natural gas, electricity, process and cooling water, sewerage) and the quantity required for the design throughput per annum.
13) Technical Capability of Respondents	The technical expertise and experience Respondents are able to provide to the Project. This includes long-term technical support for the life of the facility. Provide details of the technical expertise and experience of the Respondent, and the Respondent's team members, that is relevant to the project, and details of how, contractually, it is proposed to provide the required long term support.
Corporate Criteria	
14) Corporate Culture	The Respondent's ability to work in a collaborative relationship with the EMRC. Provide details of the Respondent's demonstrated ability and experience in working collaboratively with a client, particularly in a sensitive and complex operating environment.
15) Occupational Health and Safety	The Respondent's record of occupational health and safety at existing, similar facilities. Provide details and evidence.
16) Quality Assurance and Quality Control	The Respondent's track record of quality assurance and quality control. Provide details and evidence of the level of quality accreditation and duration it has been in place.
Environmental Criteria	
17) Compatibility with Guidelines and Policies	The ability of the RRF and Respondent to comply with existing government policies and guidelines. Provide details.
18) Likelihood of Obtaining Government Approvals	The likelihood that the RRF will be granted government approvals. Provide details of the type of approvals obtained and of the level / nature of assessment undertaken for the approvals to be granted.
19) Emissions	<ul style="list-style-type: none"> The net level of greenhouse gases (CO₂eq) emitted through operation of the RRF inclusive of potential offsetting of fossil fuels; The amount of "other" emissions released during the process
20) Risk of Environmental Breach	<p>The robustness of the RRF and process regarding risk of pollution. Provide details of:</p> <ul style="list-style-type: none"> the major risk of pollution factors and how they are mitigated / managed; and the environmental compliance performance of existing, similar facilities.

Assessment Criteria	Description of Criteria and Information Required in Submission
Social Criteria	
21) Risk of Health Consequences	The level and type of risk to human health arising from the operation of the RRF. Provide details of: <ul style="list-style-type: none"> the major risks to human health and how they are mitigated / managed; and the human health impacts performance of existing, similar facilities.
22) Community Involvement in Resource Conservation	The Respondent's ability to involve the community in tasks associated with the RRF which encourage and support resource conservation. Provide details of how this might be achieved.
23) Employment Impact and Opportunities	The local employment opportunities arising from the construction and operation of the RRF. Provide details.
Financial Criteria	
24) Financial Capacity of the Respondent	The Respondent's financial stability and capacity to provide financial support and commitment to the project, as evident in the financial information submitted.
25) Cost per Tonne (gate-fee)	The indicative total cost to the EMRC per tonne of waste received (\$ / t) including residue disposal of \$63.80 / tonne (inc GST)
26) Capital Cost	The estimated / actual capital costs of developing the proposed RRF.

It is essential that Respondents address each criterion. The Submissions will be used to select the chosen Respondent, and failure to provide the specified information may result in elimination from the Submission evaluation process.

2.5 QUALITY ASSURANCE

2.5.1 PROBITY PROCESS

An independent Probity Auditor has been appointed to oversee the EOI and tender processes to provide additional confidence to all stakeholders, including the Respondents / Tenderers, that the process has been developed with due regard for equity and procedural fairness. The Probity Auditor will not form part of the TEC, but will independently observe the process and will report their findings to the EMRC.

A Probity Plan is being developed for the project.

2.5.2 CONFIDENTIALITY OF COMMERCIAL INFORMATION

Unless required by law under the *Freedom of Information Act 1992* or under a court order to do so, the Principal undertakes to not make financial and other commercial information designated by a Respondent as Confidential in their Submission to the public or available to other Respondents prior to the final tenders having been submitted. The Principal will implement a confidentiality process to manage that information which will limit its use to this EOI process and the associated project tasks.

3 CURRENT WASTE MANAGEMENT SYSTEMS

The following section details the EMRC's current waste quantities, composition, collection systems and disposal services.

3.1 WASTE QUANTITIES

The Eastern Metropolitan Region currently generates an estimated 90,000 tonnes of kerbside MSW per annum from dedicated household rubbish bins. Based on expected population increases, kerbside municipal waste quantities generated in the Region are expected to increase to 125,000 tonnes by 2030. Note that these quantities do not include household recyclables, collected separately.

The amounts of waste generated vary between the Member Councils as indicated in **Table 4** below.

Table 4 Kerbside MGB Waste Quantities (2006/07)

Member Council	Total Waste (tonnes) generated per annum	Waste (tonnes) per household
Town of Bassendean	4,362	0.71
City of Bayswater	21,185	0.78
City of Belmont	11,051	0.67
Shire of Kalamunda	15,683	0.80
Shire of Mundaring	9,024	0.69
City of Swan	29,026	0.73
Total	90,331	0.74

Results based on 2006/07 data collected from the six Member Councils.

3.2 WASTE COMPOSITION

Waste audits have been undertaken previously by Nolan ITU and APrince Consulting to determine the likely composition of the refuse MGBs presented at the kerbside by householders within the region. The Nolan ITU audit was conducted between 2 – 9 December 2002, while the APrince Consulting audit was conducted between 17 – 30 September 2004. Both audits categorised waste disposed in refuse MGBs from a sample of 600 randomly selected households with similar socio-economic suburbs (based on statistics obtained from the Australian Bureau of Statistics).

The results of the waste audits have indicated the following composition of waste from the refuse MGB.

Table 5 Refuse MGB Composition and waste stream quantities (at moisture)

Waste Category	Nolan ITU	APrince
Recyclables	11.00%	7.90%
Paper and Cardboard	12.00%	10.00%
Organics	64.00%	62.70%
Non Recyclable Plastics	5.00%	8.70%
Other Waste	8.00%	10.70%
Total	100.00%	100.00%

Table 5 Source:

- APrince Consulting (2004) Waste Stream Audit and Analysis for Eastern Metropolitan Regional Council – October 2004, Perth, APrince Consulting.
- Nolan ITU (2003) Eastern Metropolitan Regional Council – Waste Composition Study, Sydney NSW, Nolan ITU.

The waste categories outlined in **Table 5** are broken into waste streams defined in **Table 6** below.

Table 6 Waste Stream Categories

Waste Category	Waste Streams
Recyclables	Glass, Polyethylene Terephthalate (PET) (type 1), High Density Polyethylene (HDPE) (type 2), Polyvinyl Chloride (PVC) (type 3), aluminium, other non ferrous, steel, other ferrous.
Paper and Cardboard	Newspaper, magazines, miscellaneous packaging, corrugated cardboard, package board, liquid paper containers, disposable paper product, printing and writing paper.
Organics	Food / kitchen waste, garden, other putrescibles, contaminated paper.
Non Recyclable Plastics	Low Density Polyethylene (LDPE) (type 4), polypropylene (type 5), polystyrene (type 6), other (type 7).
Other Waste	Household hazardous waste, ceramics, dust, dirt, rock, ash, special, wood, textile / rags, leather, rubber, oils.

3.3 MOISTURE CONTENT OF WASTE

Moisture analysis of the six Member Councils MSW streams was conducted by APC Environmental Management during the April 2009 waste audit. The waste categories audited include source-separated food waste, source-separated green waste, as well as total garbage (from the general household refuse MGB).

Table 7 below shows the overall average moisture content of each of the MSW components, aggregated across the six councils, with a low-high range. The table also shows the overall average moisture content for the two major components (food waste and green waste) and of all of the components added together (Total MSW).

Table 7 Average moisture content of components of MSW with ranges

Waste Category	Average Moisture Content	Range
Food waste	65%	49 - 77%
Green waste	54%	17 - 76%
Total MSW	33%	16 - 46%

3.4 CURRENT WASTE COLLECTION SERVICES

This section outlines information on the current waste collection services provided by the six EMRC Member Councils.

The principal waste collection system currently used in the Eastern Metropolitan Region is the two-bin waste collection system. The Town of Bassendean, City of Belmont, Shire of Kalamunda, Shire of Mundaring and the City of Swan allocates two MGBs to each household – one for the disposal of general refuse (collected weekly) and the other for the disposal of recyclable materials (collected fortnightly). Since 1998, the City of Bayswater has implemented a three-bin waste collection system that incorporates the two MGBs offered by other Member Councils, plus an additional MGB for the disposal of greenwaste (excluding food waste) collected fortnightly.

The kerbside collection services available in the EMRC are summarised in the table in **Appendix B**.

All of the EMRC Member Councils use waste collection contractors for the kerbside service with the exception of the City of Swan, which uses council day labour. Each MGB has 240 litres of capacity with the exception of the Shire of Mundaring which utilise a 140 litre MGB for MSW (240L for recyclables). General refuse is disposed to landfill located at the Red Hill Waste Management Facility.

3.5 WASTE DISPOSAL

At present, all of the six Member Councils dispose of their waste at the EMRC Red Hill Waste Management Facility (Red Hill) located at 1094 Toodyay Road, approximately 25km northeast of Perth City.

The Red Hill site comprises of Lots 1, 2, 11, 12 and part of Lots 82 and 501 on Plan 26468 and is owned by the EMRC. The site is located in the City of Swan while also bordering the Shire of Mundaring.

In accordance with the facility's licence conditions, Red Hill is an approved Class III and IV landfill and accepts a range of wastes, including inert waste, putrescible waste, contaminated and hazardous wastes. Red Hill accepts waste from various organisations within and outside the EMRC including the general public, commercial operators, and local, regional, state and federal government organisations.

Red Hill uses modern techniques and principles of sanitary landfill design and operation, including leachate collection and methane gas capture. The EMRC have also established a greenwaste processing area at the Red Hill facility, which enables greenwaste to be diverted from landfill. Greenwaste processing techniques used at the site include windrow composting and mulching.

Approximately 173,000 tonnes of MSW and 206,000 tonnes of commercial waste (excluding contaminated soils) were landfilled at Red Hill during the 2006/07 financial year. Based on current and projected landfilling rates, the Red Hill facility has an estimated 30 year lifespan for the acceptance of Class II/III (putrescible) materials, and an estimated lifespan of 14 years for Class IV (hazardous) materials.

It is proposed that all residue from the RRF will be disposed of at the Red Hill Landfill Facility. The EMRC will continue to own and operate the Red Hill Landfill Facility.

4 KEY PROJECT SPECIFICATIONS

The following section details the key specifications for the project.

4.1 CONTRACT DELIVERY MODELS

Only Submissions offering Build Own Operate (BOO) and/or Design and Construct (D&C) contracts will be considered as Acceptable Tenderers. Alternatives to the preferred Contract Delivery Models detailed below will not be considered acceptable.

Build Own Operate

Under a Build Own Operate (BOO) contract delivery model, the Contractor will be required to build, finance, own and operate the facility for a fixed period of time (the economical life of the facility and anticipated to be for 20 years). Under this contract model, some of the Project risks, and in particular, the risk associated with the design, construction and performance of the RRF, are transferred to the Contractor.

Design and Construct

Under a Design and Construct (D&C) contract delivery model, the Contractor would design and construct a facility that conforms to agreed standards and performance requirements. If the D&C model were adopted by the EMRC, the Contractor would also be required to operate the facility for a minimum of 12 months and up to two years after the completion of wet commissioning. Under this contract model, the operational and ownership risks would be assumed by the EMRC, particularly following transfer of operational responsibilities to the EMRC and expiry of warranties and defects liability periods. The EMRC may operate the facility using its own staff or let a separate contract for the operation of the facility under this D&C contract delivery model.

A decision regarding the contract delivery model will be finalised after the Submissions have been evaluated.

4.1.1 TERM SHEETS

Term Sheets outlining the draft contractual requirements for the preferred contract delivery models (BOO and D&C) are provided in **Appendix C**. Respondents should note that these conditions are indicative only and may be subject to change in the RFT.

The Term Sheets are to be used by Respondents to provide required indicative cost information in their Submissions. Refer to **Section 2.5.2** in regards to confidentiality of financial information.

4.2 WASTE TREATMENT TECHNOLOGIES

Substantial research by the EMRC into the suitability of RRF / alternative waste treatment technologies for the project has indicated the following preferred options:

- **Mechanical Biological Treatment (MBT)** to produce biogas for energy production – Anaerobic digestion; and/or
- **Energy from Waste (EfW)** – Gasification, Pyrolysis, Incineration, Plasma or combinations thereof

Only Respondents offering at least one of the above listed technologies will be considered as Acceptable Tenderers.

Respondents are invited to provide comments on the preferred technologies.

4.3 WASTE QUANTITIES AND WASTE COMPOSITION

The EMRC will control the quantity of waste delivered to the facility. The amount of waste that will be made available to be treated to the proposed facility will depend on the technology used for the project and potential arrangements with other waste generators:

MBT – 60,000 expandable to 150,000 tonnes per annum; and

EfW – 90,000 expandable to 200,000 tonnes per annum.

The composition of waste detailed in **Section 3.2** provides an indication (only) of the composition of municipal waste from kerbside collections in the EMRC. In accordance with the Term Sheets, EMRC gives no representation or guarantee in respect of the quality, constitution or level of compaction of processible waste, however, waste delivered to the RRF will only be from designated waste collection services.

4.4 WASTE COLLECTION SYSTEMS

The waste collection system that will be adopted by each Member Council will depend on the type of waste treatment technology used for the project. It is expected that the following collection systems will be implemented:

MBT – Three-bin system OR two-bin system; and

EfW – Two-bin system.

A two-bin collection system, comprising one comingled dry recyclables bin (collected fortnightly) and one general refuse bin (for all other waste including food waste and green waste) (collected weekly), will most likely be implemented if any of the EfW technologies are used for the project. In this scenario, the EfW RRF would only accept the waste from the general refuse bin, while the dry recyclables will be sent to a Materials Recovery Facility (MRF) for processing. The MRF will not form part of the RRF.

A three-bin collection system, comprising one comingled dry recyclables bin (collected fortnightly), one source-separated organics bin (collected weekly) and one dry residuals bin (collected fortnightly), may be implemented if a MBT (Anaerobic Digestion) technology is used for the project. In this scenario, the MBT RRF would only accept waste from the source-separated organics bin. The waste from the dry recyclables bin would be sent to a MRF for processing, while the waste from the dry residuals bin would be sent to landfill for disposal.

The EMRC is currently evaluating the viability of a source-separated organics collection system using a three-bin system. The implementation of a three-bin system would be to minimise the level of contamination in the organic fraction of the MSW, as well as reduce the need for pre-processing. The EMRC may decide to use a two-bin collection system for the RRF if a MBT (Anaerobic Digestion) technology is used for the project. This would be dependent in part on the outcomes of the current trial and feedback received through the EOI.

It should be noted that waste from verge side bulk collections, public place collections and self hauled waste will not be sent to the EMRC's proposed RRF. In addition, greenwaste (non kerbside) will be processed independently of the RRF's operations.

4.5 SITING

The EMRC has undertaken a comprehensive site assessment study for this project.

The addresses for the potential sites currently being considered by the EMRC are as follows:

- **Red Hill:**
The Red Hill Waste Management Facility
Lot 12, 1204 Toodyay Road
Red Hill Western Australia 6056
- **Hazelmere:**
Lots 100 and 201 (No. 77 and 91), Lakes Road
Hazelmere Western Australia 6055

Additional information relating to each potential site is provided in **Appendix D**.

The EMRC recognises that Respondents preferred site may vary due to the requirements of the different technologies. Respondents are invited to comment on the proposed sites for the RRF and to suggest suitable alternative sites for EMRC consideration if they wish to do so.

The EMRC will control the adopted site (through ownership or lease) and will control the waste entering the site.

4.6 PROJECT APPROVALS

The EMRC will commence the project approvals process after Acceptable Tenderers have been determined.

4.6.1 ENVIRONMENTAL APPROVALS

The EMRC will obtain the environmental approvals pursuant to Part IV (Environmental Impact Assessment) of the *Environmental Protection Act 1986* (EP Act) necessary for the development of the RRF.

It is likely that the EPA will require the preparation of a detailed report addressing the environmental impacts of the RRF and how they are to be addressed.

It is a condition of submitting this EOI that Respondents provide to the EMRC information including detailed technical information required for the EMRC to complete this report.

4.6.2 TOWN PLANNING APPROVALS

If required, the EMRC will arrange for rezoning for the project site.

5 RESPONDENT'S TECHNICAL SUBMISSION

The information outlined in the following Section must be provided by all Respondents in their Technical Submission part of the Submission, under the same headings and in the stated order. Respondents shall provide detailed information in the Submission to allow for it to be evaluated. Failure to provide sufficient information may result in the submission being rejected without further consideration. Additional supporting information may be included in an Appendix, provided the information is adequately referenced.

5.1 RESPONSE FORM

The Chief Executive Officer
EMRC
Ascot Place, 1st Floor
226 Great Eastern Highway
Belmont WA 6104

I/We (block letters) _____
ADDRESS: _____

ABN / GST Status: _____
ACN (if any): _____
Telephone Number: _____ Fax: _____
Email (if any): _____

Establishment of a Resource Recovery Facility for the Eastern Metropolitan Regional Council

I/We agree that I am/We are bound by, and will comply with this Expression of Interest and its associated schedules, attachments, all in accordance with the Conditions of Responding contained in this Expression of Interest signed and completed. I/We agree that there shall be no cost payable by the Principal towards the preparation or submission of this Submission irrespective of its outcome. The submitted consideration in the price schedule (if any) is indicative only.

Dated this: _____ day of _____ 20 _____

Signature of authorised Respondent: _____

Name of authorised signatory (BLOCK LETTERS): _____

Position: _____

Address: _____

Witness Signature: _____

Name of witness (BLOCK LETTERS): _____

Position: _____

Address: _____

5.2 GENERAL INFORMATION REQUIRED FOR EMRC ASSESSMENT

The following information is to be provided by all Respondents in their Submission for assessment by the Principal.

5.2.1 COMPANY CONTACT DETAILS

Respondents must provide the following details in their Submission:

Details to be provided by Respondents	
Respondent	<p>Individuals</p> <ul style="list-style-type: none"> • name of individual in full; • residential or business address of individual; and • occupation and business of individual. <p>Corporations</p> <ul style="list-style-type: none"> • name of corporation in full; • business of the corporation; • registered office address of corporation; and • corporation's principal place of business.
Other Members of Respondent's Team	<ul style="list-style-type: none"> • name of each member; • role of each member; and • business address (of each member).

5.2.2 ORGANISATIONAL PROFILE AND REFEREES

Attach your organisation profile and label it "Attachment 1".	Attachment 1 <input type="checkbox"/> Tick✓if attached
If companies are involved, attach their current Australian Securities and Investments Commission (ASIC) company extracts search, or equivalent for non-Australian companies, including latest annual return and label it "Attachment 2".	Attachment 2 <input type="checkbox"/> Tick✓if attached
Attach details (including name, company, address, email address and telephone number) of your referees, and label it "Attachment 3". You should give examples of relevant work provided for your referees where possible.	Attachment 3 <input type="checkbox"/> Tick✓if attached

5.2.3 AGENTS

Are you acting as an agent for another party?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If Yes, attach details (including name and address) of your principal and label it "Attachment 4".	Attachment 4 <input type="checkbox"/> Tick✓if attached

5.2.4 TRUSTS

Are you acting as a trustee of a trust?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If Yes, in an attachment labelled "Attachment 5": (a) give the name of the trust and include a copy of the trust deed (and any related documents); and (b) if there is no trust deed, provide the names and addresses of beneficiaries.	Attachment 5 <input type="checkbox"/> Tick✓if attached

5.2.5 SUB-CONTRACTORS

Do you intend to subcontract any of the major components of the Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If Yes, attach details of the subcontractor(s) including the name, address, location of premise and the number of people employed and label it "Attachment 6".	Attachment 6 <input type="checkbox"/> Tick✓if attached

5.2.6 CONFLICTS OF INTEREST

Will any actual or potential conflict of interest in the performance of your obligations under the Contract exist if you are awarded the Contract, or is any such conflict of interest likely to arise during the Contract?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If Yes, please supply in an attachment details of any actual or potential conflict of interest and the way in which any conflict will be dealt with and label it "Attachment 7".	Attachment 7 <input type="checkbox"/> Tick✓if attached

5.2.7 QUALITY ASSURANCE

It is expected that Acceptable Tenderers will have established and operate an appropriate third party accredited quality management system. Does your organisation operate a third party accredited quality management system appropriate for this facility?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If Yes, attach details of the quality management system and label it "Attachment 8".	Attachment 8 <input type="checkbox"/> Tick✓if attached
If you propose to subcontract, does your subcontractor have a "third party" quality management system in place?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Supply evidence or details of your quality assurance position, and where relevant of your supplier's or subcontractor's position, in an attachment labelled "Attachment 9".	Attachment 9 <input type="checkbox"/> Tick✓if attached

5.3 RESPONSE TO SELECTION CRITERIA

Respondents are required to provide information for each of the criteria described in **Section 2.4**. Failure to provide information requested may result in the Submission being rejected without further consideration.

Before answering the criteria, Respondents shall note the following:

- (a) all information relevant to your answers should be contained within your Submission to each criterion;
- (b) Respondents must respond to the criteria in the same order stated below;
- (c) Respondents shall assume that the Tender Evaluation Committee has **no** previous knowledge of your organisation, its activities or experience;
- (d) Respondents shall provide full details for any claims, statements or examples used to address the criteria; and
- (e) Respondents shall address each issue outlined within a criterion.

If more than one option (e.g. technologies and/or contract delivery models) conforming with the EOI are to be proposed by the Respondent, then a separate response to the selection criteria should be submitted for each option.

Assessment Criteria	Respondent to Provide Response on Criteria
Mandatory Criteria	
1) Performance of process	
2) Respondent's track record	
Technical Criteria	
3) Energy production	

Assessment Criteria	Respondent to Provide Response on Criteria
4) Flexibility of system regarding processible waste composition	
5) Flexibility of system regarding processible waste quantity	
6) Diversion of Waste from Landfill	
7) Production of Marketable Products	
8) RRF Footprint	
9) Future Opportunities / Innovation	
10) Complexity and Operability	
11) Service Requirements (power, water, gas)	
12) Technical Capability of Respondents	
13) Reliability of Technology	
Corporate Criteria	
14) Corporate Culture	
15) Occupational Health and Safety	
16) Quality Assurance and Quality Control	
Environmental Criteria	
17) Compatibility with Guidelines and Policies	
18) Likelihood of Obtaining Government Approvals	
19) Greenhouse Gas Emissions	
20) Risk of Environmental Breach	
Social Criteria	
21) Risk of Health Consequences	
22) Community Involvement in Resource Conservation	
23) Employment Impact and Opportunities	

5.4 INFORMATION REQUIRED BY EMRC FOR PLANNING DECISIONS

5.4.1 CONTRACT DELIVERY MODEL

The EMRC's acceptable contract delivery models are described in **Section 4.1**. Respondents should indicate whether they can offer the waste treatment technologies specified in **Section 4.2** under either or both of these contract delivery models.

Respondents are also invited to comment on the proposed contract delivery models.

5.4.2 PROPOSED TECHNOLOGY

Respondents are required to provide a detailed description of the technology and the associated processes. Information required in this section is in addition to the "Technology" selection criteria outlined in **Section 2.4**.

The following information should be provided:

- The licensed technology / process name, if the technology is licensed for use in Australia and if so who has the licensing rights for Australia;
- Detailed description of the process;
- Input waste requirements;
- Details of quantities produced, nature and requirements for processing and disposal of effluents and residues from the RRF;
- Full details of the reference sites treating MSW;
- History and performance records of reference sites;
- Environmental impacts and proposed management (including carbon pollution reduction);
- Environmental benefits of the technology; and
- Products and marketability.

5.4.3 SITING

Respondents are required to detail the site requirements for their proposed facility, particularly in relation to land and service requirements.

If Respondents have a preference for one of the available sites (**listed in Section 4.5**), or an alternative site (suggested by the Respondent), these should be stated and reasons for their preference given.

5.4.4 WASTE COLLECTION SYSTEMS

Respondents should indicate any implications for the process if a three-bin collection system (source-separated organics system) was implemented, and compare it to the process implications if a two-bin collection system was implemented. The waste collection systems specified for the project are outlined in **Section 4.4**.

Respondents are required to comment on their preference (if any) for the waste collection system that will be most suited to the technology they are proposing for the project.

6 RESPONDENT'S FINANCIAL SUBMISSION

The information outlined in the following section must be provided by all Respondents in their Financial Submission part of the Submission, under the same headings and in the stated order. Respondents shall provide detailed information in the Submission to allow for it to be evaluated. Failure to provide sufficient information may result in the submission being rejected without further consideration. Additional supporting information may be included in an appendix, provided the information is adequately referenced.

6.1 RESPONSE FORM

The Chief Executive Officer
EMRC
1st Floor, Ascot Place
226 Great Eastern Highway
Belmont WA 6104

I/We (block letters) _____
ADDRESS: _____

ABN / GST Status: _____
ACN (if any): _____
Telephone Number: _____ Fax: _____
Email (if any): _____

Establishment of a Resource Recovery Facility for the Eastern Metropolitan Regional Council

I/We agree that I am/We are bound by, and will comply with this Expression of Interest and its associated schedules, attachments, all in accordance with the Conditions of Responding contained in this Expression of Interest signed and completed. I/We agree that there shall be no cost payable by the Principal towards the preparation or submission of this Submission irrespective of its outcome. The submitted consideration in the price schedule (if any) is indicative only.

Dated this: _____ day of _____ 20 _____

Signature of authorised Respondent: _____

Name of authorised signatory (BLOCK LETTERS): _____

Position: _____

Address: _____

Witness Signature: _____

Name of witness (BLOCK LETTERS): _____

Position: _____

Address: _____

6.2 GENERAL INFORMATION REQUIRED FOR EMRC ASSESSMENT

The following information is to be provided by all Respondents in their Submission for assessment by the Principal.

6.2.1 FINANCIAL POSITION

Are you presently able to pay all your debts in full as and when they fall due?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Are you currently engaged in litigation?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If you are currently engaged in litigation, will this materially affect your financial viability?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If you are awarded the Contract, will you be able to fulfil the Requirements from your own resources or from resources readily available to you and remain able to pay all of your debts in full as and when they fall due?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Attach a financial profile for you and each of the other proposed contracting entities and a list of financial referees and label it "Attachment 10".	Attachment 10 <input type="checkbox"/> Tick✓if attached

6.3 RESPONSE TO SELECTION CRITERIA

Respondents are required to provide information for each of the criteria described in **Section 2.4**. Failure to provide information requested may result in the Submission being rejected without further consideration.

Before answering the criteria, Respondents shall note the following:

- (a) all information relevant to your answers should be contained within your Submission to each criterion;
- (b) Respondents must respond to the criteria in the same order stated below;
- (c) Respondents shall assume that the Tender Evaluation Committee has **no** previous knowledge of your organisation, its activities or experience;
- (d) Respondents shall provide full details for any claims, statements or examples used to address the criteria; and
- (e) Respondents shall address each issue outlined within a criterion.

If more than one option (e.g. technologies and/or contract delivery models) conforming with the EOI are to be proposed by the Respondent, then a separate response to the selection criteria should be submitted for each option.

Assessment Criteria	Respondent to Provide Response on Criteria
Financial Criteria	
24) Financial Capacity of the Respondent	
25) Cost per Tonne (gate-fee)	
26) Capital Cost	

6.4 INFORMATION REQUIRED BY EMRC FOR PLANNING DECISIONS

6.4.1 FINANCIAL COSTS

Based on the Term Sheets provided in **Appendix C**, Respondents must provide indicative costs (comprising of capital and operating costs and revenue) per tonne for both BOO and D&C options.

The Principal requires details of the estimated total capital cost, estimated operating costs and estimated revenue allowed for in the cost, and requires specific comments on the cost differences between BOO and D&C options.

It should be assumed, for the purpose of providing these costings for an MBT (Anaerobic Digestion) provide two alternatives. One with a capacity of 60,000 tonnes per annum of source separated organic waste and one with a capacity of 100,000 tonnes per annum of kerbside collected MSW. For an EfW facility assume a capacity of 100,000 tonnes per annum of MSW.

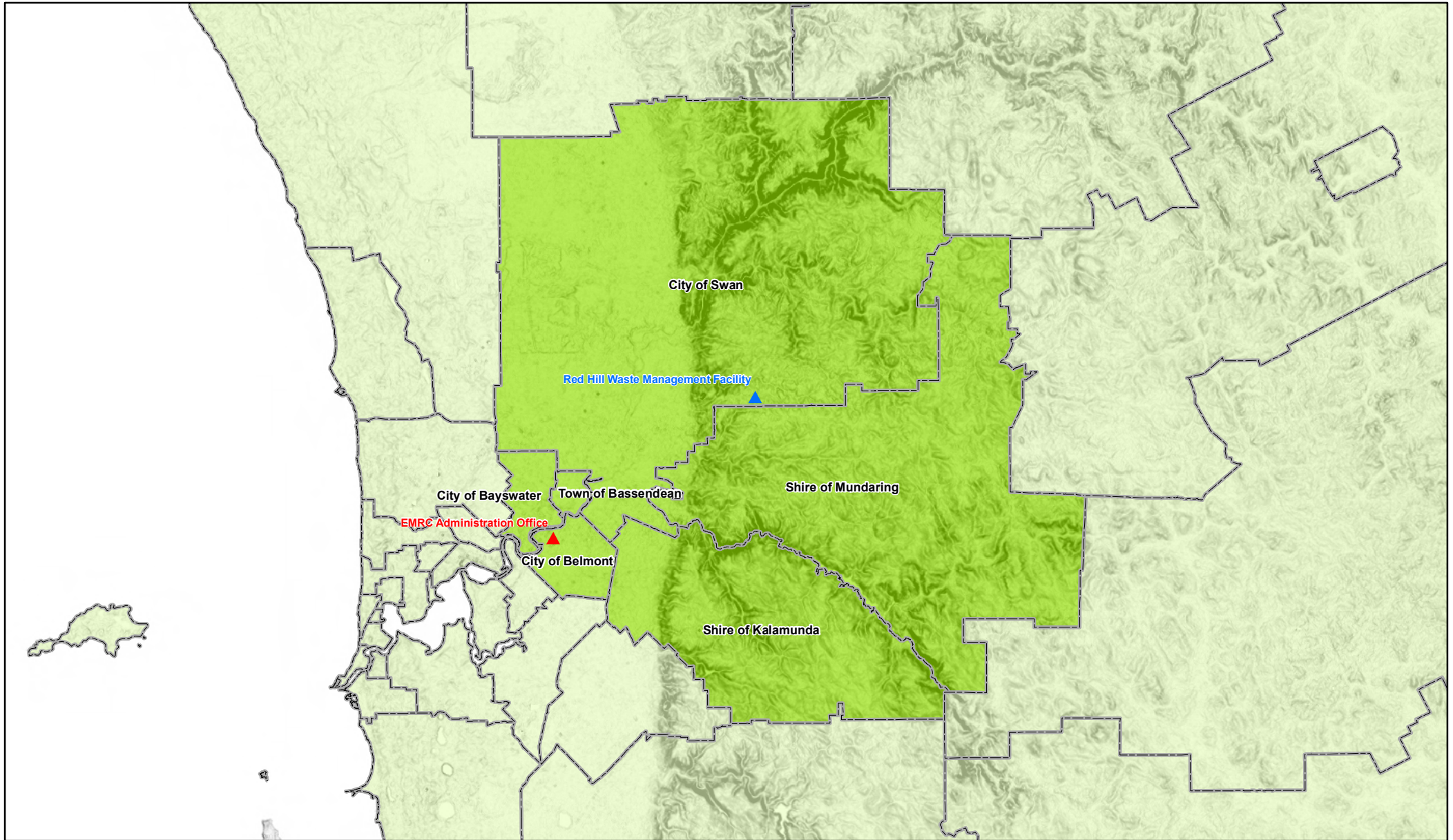
7 REFERENCE DOCUMENTS

The following information is provided in the download of the EOI package on the Tenderlink website (www.tenderlink.com/emrc):

- EMRC Annual Report (Financial Year 2007/2008):
- EMRC-95755 Strategic Waste Management Plan (2009).




APPENDIX A

Figure 1 – Location of EMRC and Member Councils



DATE	No.	ACTIVITY - REVISION DESCRIPTION	DES	DRN	CHK'D	APPD	DATE	No.	ACTIVITY - REVISION DESCRIPTION	DES	DRN	CHK'D	APPD	DATE	No.	ACTIVITY - REVISION DESCRIPTION	DES	DRN	CHK'D	APPD
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PROJECT	EMRC Resource Recovery Project		 Cardno 	CONSULTING ENGINEERS TOWN PLANNERS PROJECT MANAGERS ENVIRONMENTAL CONSULTANTS	Cardno Centre 2 Bagot Road P.O. Box 155 Subiaco Western Australia 6904 Telephone (08) 9273 3888 Facsimile (08) 9388 3831	Project Number	Drawing Number	Revision	Original
DRAWING TITLE	EMRC 6 Member Council Locality Plan					V04030-013	SK01	00	A4
PRINCIPAL						Designed Drawn Local Authority	BH MGW Various	Checked Approved	Date 15/04/09 Sheet 1 of 1

This drawing has been prepared in accordance to Cardno Quality Management System. It remains the property of Cardno WA Pty. Ltd. and shall not be used without permission. The drawing shall be preliminary only and/or not for construction until signed approved.

APPENDIX B

EMRC Waste Collection Data

Waste Collection Systems in the EMRC

Member Council	KERBSIDE COLLECTION			VERGE COLLECTION			PUBLIC PLACE COLLECTION			SELF HAULED WASTE	
	Refuse 240-L MGB (green lid)	Recyclables 240-L MGB (yellow lid)	Greenwaste 240-L MGB (brown lid)	Bulk Verge	Greenwaste Verge	Bulk Bin 3m ³	Green- waste from council works	Inert waste from council works	Public Litter Bins	Red Hill Tip Passes	Transfer Station Passes
<i>Frequency of collection</i>	<i>weekly</i>	<i>fortnightly</i>	<i>fortnightly</i>	<i>annual</i>	<i>annual</i>	<i>on request</i>	<i>as required</i>	<i>as required</i>	<i>as required</i>	<i>n/a</i>	<i>n/a</i>
Town of Bassendean	✓ ¹	✓ ¹	✗	✓	✓	✗	✓	✓	✓	✓	✗
City of Bayswater	✓ ¹	✓ ¹	✓ ¹	✗	✗	✓ (3 bulk bins or tip passes per year)	✓	✓	✓	✓	✓
City of Belmont	✓	✓	✗	✗	✗	✓ (4 bulk bins per year)	✓	✓	✓	✓	✗
Shire of Kalamunda	✓ ²	✓	✗	✓ ³ (biannual)	✓ (biannual)	✗	✓	✓	✓	✓ ⁴	✓ ⁵
Shire of Mundaring	✓ ¹	✓	✗	✓ (biannual)	✓	✗	✓	✓	✓	✗	✓
City of Swan	✓ ¹	✓ ¹	✗	✓ (biannual)	✓	✗	✓	✓	✓	✓	✗

Source – EMRC-95755 Strategic Waste Management Plan (2009)

¹ Also offered to small commercial properties

² 140L MGB

³ Greenwaste is separated from bulk waste for processing

⁴ At cost to the household

APPENDIX C

Term Sheets

Term Sheet – Build, Own and Operate Contract Model

1 Introduction

1.1 Form of Contract

The Build, Own and Operate Agreement (**Agreement**) to be entered into between the parties in respect of the delivery of the resource recovery facility (**RRF**) to be located at Lot 12, 1204 Toodyay Road, Red Hill, Western Australia¹ (**Project**) will incorporate the key contractual terms as set out in this term sheet.

This term sheet is a summary of the key contractual terms which will be incorporated into the Agreement and is not a complete summary of all of the contractual terms of the Agreement.

1.2 Parties

The Agreement will be entered into by the following parties:

- (a) the Eastern Metropolitan Regional Council (**EMRC**); and
- (b) the successful proponent for the Project (**Contractor**).

2 Contractual Terms

The following is a list of the key contractual terms which will be incorporated into the Agreement. The Agreement will address the key contractual terms in further detail.

¹ EMRC's preferred site is Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia. There is another available site at Hazelmere, being Lots 100 and 201 (No. 77 and 91), Lakes Road, Hazelmere, Western Australia. The proponents are requested to advise as to whether EMRC's preferred site is acceptable or, if not, whether the other available site is acceptable.

No.	Subject	Contractual Term
1	Conditions precedent	<p>The Contractor must satisfy the following conditions precedent prior to the Agreement coming into operation:</p> <ul style="list-style-type: none"> • execution of the project agreements; • evidence of financial closing; • evidence that all insurance required for the Project is in place; • evidence that the key subcontracts and the financing documents have been executed, are in full force and effect and conform to the term sheets provided by the Contractor with the proposal; and • evidence that all authorisations to permit construction of the RRF have been obtained (except for the environmental approval required under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project, which will be obtained by EMRC). <p>EMRC may terminate the Agreement if the conditions precedent are not satisfied by the required date.</p> <p>The Contractor is responsible for satisfying the conditions precedent.</p>
2	Term	<p>The term of the Agreement (Term) is 20 years commencing on the date of practical completion of the RRF.</p> <p>Prior to the expiration of the Term, the parties must agree the transition arrangements which will apply at the end of the Term (having regard to the requirements of the <i>Local Government Act 1995 (WA)</i>), including whether:</p> <ul style="list-style-type: none"> • the Agreement will be extended; • new proposals will be called for the provision of the services or otherwise; • the Contractor must decommission and remove the RRF from the site; and/or • EMRC will purchase the RRF and, if so, the terms of the purchase of the RRF. <p>If the parties cannot agree, the Contractor must decommission and remove the RRF from the site.</p>
3	Project committee	<p>There will be a project committee to oversee the Project consisting of an independent chairperson and an equal number of senior representatives of EMRC and the Contractor.</p> <p>Decisions of the project committee are recommendations to the parties, but are non-binding.</p>
4	Key personnel	<p>The Contractor must ensure that the key personnel retain their roles in respect of the Project, unless EMRC consents or the person resigns, dies or is unable to continue to perform due to illness.</p> <p>Without limitation, the same clause must be included in the EPC contract, the O&M contract and the marketing contract.</p>

No.	Subject	Contractual Term
5	Security	<p>The Contractor must provide a bank guarantee for \$2,500,000 (Development Security), valid from the commencement of the Agreement until the end of the initial operating period.</p> <p>The Contractor must provide a bank guarantee for \$1,000,000 (adjusted every five years for CPI) (Performance Guarantee), valid from the end of the initial operating period until the end of the Term.</p> <p>Both securities must be on terms and conditions acceptable to EMRC, including being irrevocable and payable on demand.</p> <p>The amount of the Development Security and the Performance Guarantee must be reinstated by the Contractor upon the making of any call by EMRC on the Development Security or the Performance Guarantee.</p> <p>The Contractor must provide EMRC with a parent company guarantee in respect of the performance by the Contractor of its obligations under the Agreement.</p> <p>EMRC will provide the Contractor with a guarantee from EMRC's constituent councils guaranteeing EMRC's payment obligations under the Agreement.</p>
6	Project agreements	<p>The Contractor must not make material changes to the project agreements which affect EMRC's rights or obligations under the Agreement or any of the project agreements, without EMRC's prior written consent.</p> <p>The Contractor must not change the counterparties to the EPC contract, the technology and design contract, the O&M contract or the marketing contract without EMRC's prior written consent. There must not be a change in control of those counterparties without EMRC's prior written consent.</p>
7	Lease	<p>The Contractor is required to enter into a lease of the premises from EMRC for the Project.</p> <p>The Contractor must pay market rent under the lease from the date of practical completion of the RRF. The market rent payable by the Contractor under the lease will be determined by the Valuer General for the State of Western Australia.</p>
8	Authorisations	<p>The Contractor must obtain all authorisations which are necessary to undertake its obligations under the Agreement (except for the environmental approval required under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project, which will be obtained by EMRC) and maintain those authorisations for as long as is necessary to undertake its obligations under the Agreement.</p> <p>EMRC must obtain the environmental approval required under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project and transfer those authorisations to the Contractor. Upon the transfer of those authorisations to the Contractor, the Contractor must maintain and comply with those authorisations for as long as is necessary to undertake its obligations under the Agreement.</p> <p>The Contractor must comply with, and must ensure that the RRF complies at all times with, all laws and authorisations.</p>

No.	Subject	Contractual Term
		The Contractor must comply with all laws and lawful requirements of government agencies which affect in any way the performance of the Contractor's obligations under the Agreement.
9	Design & Construction	<p>The Contractor is solely responsible for the design, engineering, procurement, construction, testing and commissioning of the RRF in order to comply with:</p> <ul style="list-style-type: none"> • the Agreement; • the design plan (prepared by the Contractor for the Project and approved by EMRC); • the project implementation schedule; and • the key performance indicators for the Project (KPIs). <p>The Contractor must demonstrate that the RRF complies with EMRC's minimum technical requirements for the Project (Minimum Technical Requirements).</p> <p>EMRC will be responsible for the procurement of certain common-use infrastructure for the Project (such as a weighbridge).</p>
10	Commissioning	<p>The Contractor is responsible for procuring all inputs for and all costs of conducting the commissioning tests, except for waste.</p> <p>The Contractor must dispose of all untreated waste and all residue produced as part of the commissioning tests in accordance with all laws.</p> <p>The Contractor will be paid a lump sum amount for processible waste processed as part of the commissioning tests. The Contractor will not be charged a gate fee for disposing of processed and unprocessed waste at EMRC's waste management facility at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia.</p> <p>The requirements of the commissioning plan (prepared by the Contractor for the Project and approved by EMRC) must be met in order to achieve practical completion of the RRF.</p> <p>The Contractor must obtain all authorisations necessary to allow operation of the RRF to proceed, in order to achieve practical completion.</p> <p>The Contractor must provide evidence to EMRC that a marketing contract for recovered products has been executed and is unconditional, in order to achieve practical completion. The marketing contract is a project agreement.</p>
11	EMRC inspections	<p>EMRC may inspect construction of the RRF at any time, on giving reasonable prior notice to the Contractor.</p> <p>The Contractor must keep EMRC regularly informed (at least monthly) as to its progress with the design, construction and commissioning of the RRF.</p>
12	Title and risk	The Contractor has title and risk in the RRF at all times, unless and until EMRC purchases it in accordance with the Agreement.
13	Liquidated damages	Failure by the Contractor to complete the RRF by the Date for

No.	Subject	Contractual Term
		<p>Practical Completion incurs a liability for liquidated damages at a rate of \$1,500 per day. If completion of the RRF is delayed by more than 180 days, that is a default of the Contractor under the Agreement.</p> <p>If the construction of the RRF is abandoned by the Contractor, that is a default of the Contractor and EMRC is entitled to receive the full amount of the development security as liquidated damages.</p>
14	Initial Operating Period	<p>After commissioning, there is an initial operating period of a minimum of two years (Initial Operating Period), during which it must be shown that the RRF operates in accordance with the Minimum Technical Requirements, the KPIs and the Agreement.</p> <p>The requirements of the Initial Operating Period which must be met by the Contractor and the fee payable to the Contractor during the Initial Operating Period will be detailed in the Agreement. Failure to meet the requirements of the Initial Operating Period is a default of the Contractor.</p>
15	Operation and maintenance	<p>The Contractor is solely responsible for the operation and maintenance of the RRF until the end of the Term.</p> <p>The RRF must be operated and maintained in accordance with:</p> <ul style="list-style-type: none"> • good utility practice; • all laws and authorisations; • the KPIs; • all plans prepared by the Contractor for the operation and maintenance of the RRF (and approved by EMRC); • the requirements of third party providers of utilities; and • an agreed operations and maintenance manual. <p>With the exception of processible waste, the Contractor must acquire all inputs for the operation and maintenance of the RRF at its cost.</p>
16	KPIs	<p>The performance of the Contractor will be measured against the KPIs.</p> <p>The fee payable to the Contractor under the Agreement will be abated if the Contractor fails to achieve any or all of the KPIs. The level of abatement of the fee will be capped under the Agreement.</p> <p>If the Contractor persistently fails to achieve any or all of the KPIs, it is a default of the Contractor under the Agreement.</p>
17	Water/ Power/ Utilities	<p>The required utility services will be made available by the EMRC to the boundary of the chosen site for the RRF. The Contractor is solely responsible for the design and construction and operation and maintenance of all of the interfaces with the utility services.</p>
18	Testing	<p>During the Term, the Contractor must test the RRF in accordance with the monitoring and testing plan (prepared by the Contractor for the Project and approved by EMRC).</p>

No.	Subject	Contractual Term
19	Community engagement	The Contractor must comply with EMRC's obligations to the community for the Project (which will be further described in the Agreement).
20	Delivery of processible waste	<p>EMRC will deliver processible waste to the RRF up to the effective treatment capacity, which will be:</p> <ul style="list-style-type: none"> 60,000 tonnes per year for Anaerobic Digestion technologies; and 100,000 tonnes per year for Gasification, Pyrolysis, Plasma and Incineration / Combustion technologies (Effective Treatment Capacity).² <p>Waste will be weighed on a weighbridge which will be conclusive evidence of the waste delivered.</p> <p>The Contractor must ensure that the RRF is able to receive processible waste at the specified hours of operation.</p> <p>The Contractor must ensure that the Effective Treatment Capacity of the RRF is made available to EMRC each year of the Term.</p> <p>The waste that will be delivered to the RRF (i.e. processible waste) is waste which is collected by or on behalf of EMRC or its constituent councils from bins placed by occupiers of residential premises situated within the districts of the constituent councils from time to time, but not including:</p> <ul style="list-style-type: none"> waste which is collected from those occupiers as part of a recycling service; or bulk waste which is collected from those occupiers (not in bins) on a semi-annual or annual basis.
21	Quality of processible waste	<p>EMRC gives no representation or guarantee in respect of the quality, constitution or level of compaction of processible waste. However, if there is a material and permanent change in waste composition that can be demonstrated and it prevents the Contractor from meeting the KPIs, the Contractor may request a variation.</p> <p>Treatment and disposal of processible waste is at the Contractor's risk.</p> <p>The Contractor is responsible for disposing of any hazardous waste delivered to the RRF in accordance with all laws. The Contractor must separate the hazardous waste from the processible waste and dispose of it at EMRC's waste management facility at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia. Disposal of hazardous waste will be at no cost to the Contractor.</p>
22	Treatment of processible waste	The Contractor must accept and dispose of all processible waste delivered to the RRF by or on behalf of EMRC up to a maximum daily amount of processible waste of 260 tonnes per day (for an RRF with an Effective Treatment Capacity of 60,000 tonnes per year) and 430 tonnes per day (for an RRF

² Proponents are to base pricing of their proposed RRFs on the initial Effective Treatment Capacity (i.e. 60,000 tonnes per year for Anaerobic Digestion technologies and 100,000 tonnes per year for Gasification, Pyrolysis, Plasma and Incineration / Combustion technologies).

No.	Subject	Contractual Term
		<p>with an Effective Treatment Capacity of 100,000 tonnes per year).</p> <p>The Contractor must not accept waste from third parties for processing at the RRF.</p> <p>The Contractor must process processible waste in accordance with the Agreement.</p>
23	Ownership and title in the waste	Ownership and title in the processible waste will pass from EMRC to the Contractor at the weighbridge.
24	Products	<p>The Contractor is required to recover and sell products for a guaranteed minimum price from processible waste processed at the RRF (Products) in accordance with the Agreement. An agreed quantity of Products must be recovered per annum and must meet KPIs as to quality.</p> <p>Revenues from the sales of Products will be shared equally by EMRC and the Contractor and any revenue belonging to EMRC will be taken into account in calculating the fee payable to the Contractor under the Agreement.</p>
25	Disposal of residue	Any residue produced as part of the treatment process and waste received at the RRF which is not processed in accordance with the Agreement must be disposed of by the Contractor at EMRC's waste management facility at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia at member council rates. Any residue will be taken into account when measuring the Contractor's performance against the KPI for waste diversion from landfill.
26	Variations	<p>EMRC has the right to direct variations and the Contractor must comply with any direction for a variation.</p> <p>There will be an agreed process for adjusting the fee payable to the Contractor under the Agreement following a variation directed by EMRC or a variation agreed between the parties.</p>
27	Fee	<p>The Contractor will be paid the Fee, which is calculated on the basis of the tonnage capacity of the RRF that is available to EMRC and the number of tonnes of waste processed. Payment will be monthly. The method of calculation of the fee payable to the Contractor under the Agreement will be set out in the Agreement.</p> <p>The Fee is the Contractor's only entitlement to payment for the work performed under the Agreement.</p>
28	Monitoring and records	<p>The Agreement will be based on an open book policy.</p> <p>The Contractor must maintain the records required by the Agreement and provide EMRC with the documents in the manner described in the Agreement.</p>
29	Transfer or assignment	<p>The Contractor must:</p> <ul style="list-style-type: none"> not sell, assign or transfer all or any part of its interest under the Agreement or any of the other project agreements; and ensure that there is no change in control in respect of the Contractor, <p>to any other person without EMRC's prior written consent.</p>

No.	Subject	Contractual Term
		<p>An assignment is permitted shortly after the Agreement is signed, if the assignment was proposed as part of the proposal and the assignee has been approved by EMRC as part of the proposal approval process.</p> <p>The Contractor must not refinance the Project without EMRC consent.</p>
30	Indemnity and limits on liability	<p>EMRC requires an indemnity from the Contractor.</p> <p>A limit of liability will be included in the Agreement.</p>
31	Insurance	<p>The Contractor must maintain such insurance policies and coverage for the Project and the RRF as is required by law, the financing documents and good utility practice. The insurance requirements will be set out in more detail in the Agreement. Project specific insurance will be required.</p> <p>Insurance proceeds received must be applied to repair damage caused to the RRF by the event for which insurance was claimed.</p>
32	Force majeure	<p>A party is excused from performance of its obligations under the Agreement to the extent that it is unable to perform due to an event of force majeure.</p> <p>EMRC's payment obligations during an event of force majeure will be limited to any amounts owing by the Contractor to the financier for the Project under the financing documents approved at financial close.</p>
33	Change in Law	<p>Change in Law does not excuse the Contractor from performing its obligations. The parties will discuss any amendments required to the Agreement due to a significant Change in Law.</p>
34	Default and termination	<p>Events of Contractor default and the process for termination (including issues relating to time periods and events which trigger default) will be set out in the Agreement.</p> <p>The Contractor and its financiers will be entitled to a reasonable cure period following an event of default. EMRC is only obliged to pay for the services that it receives and capacity that is available during the cure period.</p> <p>It is an event of default if EMRC fails to make a payment due, after notice that the payment is overdue. EMRC does not have any other events of default.</p> <p>The Agreement may be terminated due to:</p> <ul style="list-style-type: none"> • a failure of EMRC to make a payment under the Agreement; • a default of the Contractor under the Agreement; • a prolonged event of force majeure; or • expiration of the Term. <p>If the Agreement is terminated due to:</p> <ul style="list-style-type: none"> • a failure of EMRC to make a payment under the Agreement, EMRC must purchase the RRF for a NPV of amounts owing to debt and equity; • a default of the Contractor under the Agreement, EMRC

No.	Subject	Contractual Term
		<p>may elect to purchase the RRF for a purchase price equal to the market value of the RRF as at the date of termination of the Agreement. If EMRC does not elect to purchase, the Contractor must remove the RRF; or</p> <ul style="list-style-type: none"> • a prolonged event of force majeure, EMRC must purchase the RRF for a purchase price equal to any outstanding amounts owing by the Contractor to the financier for the Project under the financing documents approved at financial close.
35	Step in	<p>EMRC requires step in rights for the Project where, in EMRC's reasonable opinion, an insolvency event has occurred in respect of the Contractor or there is a real and immediate risk that:</p> <ul style="list-style-type: none"> • the operating licence for the RRF will be revoked or not granted; • the works approval for the RRF will be revoked; • action will be taken by a governmental agency to require the RRF to cease operation; • public health or public safety associated with the RRF or the premises on which it is situated will be threatened; or • an event will occur that may damage the RRF so that there would be a substantial reduction of the capacity of the RRF.
36	Dispute resolution	<p>Each party must notify the other party of any matter which may amount to or result in an issue between the parties in relation to the Agreement or the Project or which may potentially lead to a dispute under the Agreement and the project committee must discuss the matter and provide a recommendation to the parties in respect of the matter, prior to either party giving a notice of dispute under the Agreement.</p> <p>The dispute resolution procedure under the Agreement will be as follows:</p> <ul style="list-style-type: none"> • following the giving of a notice of dispute under the Agreement, the parties must confer and attempt to resolve the dispute; • if the dispute is not resolved by the conferral of the parties, either party may refer the dispute to mediation; and • if the dispute is not resolved by mediation, EMRC may elect to either refer the dispute to arbitration or commence legal proceedings in respect of the dispute.

Term Sheet – Design and Construct Contract Model

1 Introduction

1.1 Form of Contract

The Design and Construct Contract (**Contract**) to be entered into between the parties in respect of the design and construction of the waste processing facility (**RRF**) to be located at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia¹ (**Project**) will be based on the Australian Standard AS 4300-1995 General conditions of contract for design and construct (**AS4300**), as amended to tailor the AS4300 to the specific requirements of the Project and attached to a Formal Instrument of Agreement. Generally and without limitation, the AS4300 will be amended to address the matters set out in this term sheet.

Accordingly:

- (a) unless the context otherwise requires:
 - capitalised terms in this term sheet are defined either herein or in the AS4300; and
 - definitions, words and expressions used in this term sheet have the same meaning as in the AS4300; and
- (b) the following is a summary of the key contractual terms of the Contract (including amendments to the AS4300) and is not a complete summary of all of the contractual terms of the Contract.

1.2 Parties

The Contract will be entered into by the following parties:

- (a) the Eastern Metropolitan Regional Council (**EMRC** or **Principal**); and
- (b) the successful proponent for the Project (**Contractor**).

2 Contractual Terms

The following is a list of the key contractual terms of the Contract.

¹ EMRC's preferred site is Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia. There is another available site at Hazelmere, being Lots 100 and 201 (No. 77 and 91), Lakes Road, Hazelmere, Western Australia. The proponents are requested to advise as to whether EMRC's preferred site is acceptable or, if not, whether the other available site is acceptable.

No.	Section	Contractual term
1	Conditions precedent	<p>The Contractor must satisfy the following conditions precedent prior to the Contract coming into operation:</p> <ul style="list-style-type: none"> • evidence that all insurance required for the Project is in place; • evidence that all authorisations necessary for the construction of the RRF have been obtained (except for the environmental approval required under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project, which will be obtained by the Principal); • execution of the project agreements; • evidence that the company structure of the Contractor is in a form and substance satisfactory to the Principal; • evidence that key subcontracts have been executed and are in full force and effect and conform to the terms sheets provided by the Contractor with the proposal; and • evidence that all arrangements in respect of intellectual property for the Project (including the technology licence for the Project) are in place, to the satisfaction of the Principal. <p>The Principal must obtain the approval of the WA Treasury in respect of the Principal's financing arrangements for the Project as a condition precedent to the Contract coming into operation.</p>
2	Design and construction obligations	<p>The Contractor will be solely responsible for:</p> <ul style="list-style-type: none"> • the design, engineering, procurement, construction, testing and commissioning of the RRF and the rectification of any defects in the RRF during the Defects Liability Period; • the supply of all things necessary to undertake the Works and to perform the Contractor's obligations under the Contract; • achieving Practical Completion of the RRF on or before the Date for Practical Completion; and • the operation of the RRF for an initial operating period of a minimum of one year and up to a maximum of two years after the Date of Practical Completion, which will include providing training and technical advice to the Principal in respect of the operation of the RRF and during which period the Contractor must show that the RRF operates in accordance with the requirements for the initial operating period detailed in the Contract. If the Contractor fails to meet the requirements for the Initial Operating Period within the minimum period of one year, the initial operating period will be extended up to a maximum period of two years until the requirements have been met by the Contractor. Failure by the Contractor to meet the requirements for the initial

No.	Section	Contractual term
		<p>operating period within the maximum period of two years is a default of the Contractor.</p> <p>The RRF must have an effective treatment capacity of:</p> <ul style="list-style-type: none"> • 60,000 tonnes per year for Anaerobic Digestion technologies; and • 100,000 tonnes per year for Gasification, Pyrolysis, Plasma and Incineration / Combustion technologies (Effective Treatment Capacity).² <p>The Contractor must undertake the Contractor's Design Obligations and produce the Design Documents to comply with the Principal's Project Requirements.</p> <p>The Superintendent must have a right of approval of the Design Documents.</p> <p>The Superintendent may direct the Contractor to vary the Design Documents. Any direction to vary the Design Documents will constitute a variation to the work under the Contract, unless the Design Documents, prior to the variation being directed, do not comply with the Principal's Project Requirements.</p>
3	Payment	<p>The Contract Sum will be a fixed lump sum amount.</p> <p>The Contractor will be paid by monthly progress payments for the work performed by the Contractor during each month of the Contract and in accordance with the Contractor's Program.</p> <p>The Contract Sum will only be adjusted for variations to the work under the Contract in accordance with the usual variation regime. There will be no adjustments to the Contract Sum for any other reason, including cost escalation or rise and fall. There are no provisional sums.</p>
4	Security	<p>The Principal will retain 5% of the Contract Sum as retention moneys under the Contract for the term of the Contract. Any interest earned on the retention moneys will be owned by the Contractor (less the amount of any insurance premiums paid by the Principal in respect of the bank account for the retention monies).</p> <p>The Contractor will be required to provide the Principal with a performance security for \$1,000,000 for the term of the Contract in the form of an unconditional and irrevocable bank guarantee.</p> <p>The value of the performance security must be maintained at its full amount for the term of the Contract and must be reinstated by the Contractor upon the making of any call by the Principal on the performance security.</p> <p>The Contractor will be required to provide the Principal with a parent company guarantee for the performance of its</p>

² Proponents are to base pricing of their proposed RRFs on the initial Effective Treatment Capacity (i.e. 60,000 tonnes per year for Anaerobic Digestion technologies and 100,000 tonnes per year for Gasification, Pyrolysis, Plasma and Incineration / Combustion technologies).

No.	Section	Contractual term
		obligations under the Contract.
5	Assignment and subcontracting	<p>Each party must obtain the other party's prior approval to any assignment of its rights, benefits or interest under the Contract to a third party.</p> <p>The Contractor must obtain the Superintendent's approval prior to entering into any key subcontracts in respect of the work under the Contract except for those key subcontracts executed in satisfaction of the conditions precedent.</p> <p>The Contractor must not terminate or amend key subcontracts without the Principal's consent.</p>
6	Latent conditions	<p>All risks associated with the pre-existing conditions of the Site (as identified in the baseline study of the Site to be procured by the Principal and provided to the Contractor prior to the date of the Contract) and native title will be the responsibility of the Principal under the Contract. The Contractor is entitled to extensions of time as the Superintendent deems appropriate and any delay costs reasonably incurred by the Contractor if those risks occur.</p> <p>The Contractor will be responsible for the risks associated with all of the other physical conditions and characteristics of the Site and will not be entitled to any adjustment to the Contract Sum or extension of time if those risks occur.</p>
7	Compliance	<p>The Principal must obtain the environment approval under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project.</p> <p>The Contractor must obtain and maintain all other authorisations for the Project, including the development approval, the building licence and the works approval and the operating licence for the Project, for as long as is necessary to undertake the Contractor's obligations under the Contract.</p> <p>The Principal will apply to the Department of Environment and Conservation to transfer the operating licence for the Project from the Contractor to the Principal. The Contractor must provide assistance to the Principal in their application to the Department of Environment and Conservation to transfer the operating licence between the two parties.</p> <p>The Contractor must comply with occupational health and safety laws and requirements of the Principal.</p>
8	Changes in Legislative Requirements	The Contractor will not be entitled to an adjustment to the Contract Sum or extension of time as a result of a change in Legislative Requirements or a change in interpretation after the date of the Contract or any discrepancy between the Contract and a Legislative Requirement.
9	Intellectual property rights	The intellectual property rights in respect of the Design Documents must be transferred to the Principal and the Principal will grant to the Contractor an irrevocable licence to use the Design Documents for the Project.
10	Care of the work and excepted risk	The Contractor will be responsible for the care of the work under the Contract until the date on which the Contractor hands over the operation of the RRF to the Principal

No.	Section	Contractual term
		<p>following the initial operating period (please refer to Item 21 below).</p> <p>The Principal will accept responsibility for certain categories of risks which are beyond the control of the Contractor and which have caused loss or damage to the Works, being:</p> <ul style="list-style-type: none"> any negligent act or omission of the Principal, the Superintendent or the employees, consultants or agents of the Principal; war, invasion, act of foreign enemies and hostilities; and ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste not caused by the Contractor or the Contractor's consultants or subcontractors or the employees or agents of any of these.
11	Appointment of Superintendent	<p>The Principal will appoint a Superintendent to administer the Contract and supervise and inspect the work under the Contract.</p> <p>The Superintendent's role will include representing the Principal in respect of certain matters under the Contract and performing independent certifying functions under the Contract, including assessing the Contractor's entitlement to any extension of time under the Contract and assessing payment claims made by the Contractor under the Contract.</p>
12	Indemnity and limits on liability	<p>The Contractor will provide the usual indemnities to the Principal.</p> <p>Each party's liability to the other party under the Contract will be limited.</p> <p>The recovery of consequential loss under the Contract will be excluded except to the extent recoverable under insurance.</p>
13	Insurances	<p>The Contractor must effect and maintain at its cost those insurances set out in the AS4300 for the period up until the date on which the Contractor hands over the operation of the RRF to the Principal following the initial operating period, from which date the Principal must effect and maintain the insurances for the Project.</p>
14	Site and inspection	<p>The Principal will own the Site.</p> <p>The Principal will grant the Contractor a licence to access the Site for such use and control as is necessary to enable the Contractor to execute the work under the Contract. During the construction of the RRF, the Contractor will have control of the Site.</p> <p>The Principal is entitled to inspect the construction of the RRF at any time on notice to the Contractor.</p> <p>The Contractor will be responsible for making arrangements for any access to or use of any adjoining site or property which the Contractor may require in the performance of the work under the Contract (including</p>

No.	Section	Contractual term
		obtaining any necessary easements). If required by the Site, permanent site access arrangements must be made by the Contractor.
15	Suspension of the Works	<p>The Superintendent will be entitled to suspend the Works:</p> <ul style="list-style-type: none"> • because of an act or omission of either party; • for the protection or safety of any person or property; or • to comply with an order of a Court. <p>The Contractor will not be entitled to suspend the Works without the prior approval of the Principal.</p> <p>All costs incurred by the Contractor during a period of suspension (other than those costs reasonably and actually incurred by the Contractor when the works are suspended due to an excepted risk) will be borne by the Contractor.</p>
16	Practical Completion and extensions of time	<p>The Principal and the Superintendent will inspect the commissioning of the RRF. The Contractor must ensure that any provider of technology to be used in the RRF is also closely involved in commissioning the RRF during the initial operating period.</p> <p>When the Superintendent is of the opinion that Practical Completion of the RRF has been achieved, the Superintendent may issue a Certificate of Practical Completion to the Contractor.</p> <p>The Contractor will be entitled to an extension of time to the Date for Practical Completion in respect of the following causes of delay:</p> <ul style="list-style-type: none"> • breach of Contract by the Principal; • any native title issues in respect of the Project; • any pre-existing contamination on the Site which is identified in the baseline study; • any force majeure event under the Contract; and • any variation requested by the Principal which the Superintendent determines necessitates an extension of time. <p>The Principal will be responsible for the delay costs reasonably incurred by the Contractor for any cause of delay which entitles the Contractor to an extension of time under the Contract, except for delays arising from any force majeure event under the Contract or a variation requested by the Contractor which will be at the Contractor's cost.</p>
17	Liquidated damages and early completion bonus	<p>Liquidated damages will be payable by the Contractor if the Contractor fails to achieve Practical Completion of the RRF on or before the Date for Practical Completion and the delay is not otherwise excused under the Contract.</p> <p>Liquidated damages will be calculated as an amount per day of delay which will be limited to the aggregate of the retention moneys and performance security held by the Principal under the Contract and the limit of liability.</p> <p>A failure by the Contractor to achieve Practical Completion</p>

No.	Section	Contractual term
		<p>of the RRF within a specified period of time after the Date for Practical Completion will constitute a default by the Contractor under the Contract.</p> <p>The Contractor will not be entitled to an early completion bonus payment for early achievement of Practical Completion of the RRF.</p>
18	Defects Liability Period	<p>There will be a Defects Liability Period of 12 months in respect of the Works which will commence on the date on which the Contractor hands over the operation of the RRF to the Principal following the initial operating period.</p> <p>In addition, if required by the Principal, the Contract may include separate defects liability periods in respect of specific items of equipment incorporated into the Works.</p>
19	Variations	<p>Variations to the work under the Contract will be valued in accordance with a schedule of rates set out in the Contract.</p>
20	Default and termination	<p>The events of default of the Contractor under the Contract will be those events specified in the AS4300 (as appropriate) as well as specific events of default in respect of failing to achieve a milestone in the Contractor's Program by an agreed date (including failing to achieve Practical Completion within a specified period of time after the Date for Practical Completion), failure to comply with intellectual property and confidentiality obligations, failure to obtain and maintain all necessary authorisations and the Contractor's improper use of the Site.</p> <p>If the Contractor commits a default under the Contract, the Principal will be entitled to take the whole or any part of the work out of the hands of the Contractor, terminate the Contract or suspend payments to the Contractor.</p> <p>The events of default of the Principal under the Contract will be those events specified in the AS4300 (as appropriate), except that failure by the Principal to make a payment due under the Contract will only constitute a default of the Principal if the payment is not the subject of a dispute between the parties.</p> <p>If the Principal commits a default under the Contract, the Contractor will be entitled to suspend the whole or any part of the work under the Contract for as long as the default continues and recover from the Principal any damages incurred by the Contractor by reason of the suspension. The Contractor will not be entitled to terminate the Contract.</p>
21	Initial operating period	<p>After commissioning, there will be an initial operating period of a minimum of one year during which the Contractor must show that the RRF operates in accordance with the requirements for the initial operating period detailed in the Contract. If the Contractor fails to meet the requirements for the Initial Operating Period within the minimum period of one year, the initial operating period will be extended up to a maximum period of two years until the requirements have been met by the Contractor.</p>

No.	Section	Contractual term
		<p>Failure by the Contractor to meet the requirements for the initial operating period within the maximum period of two years is a default of the Contractor.</p> <p>During the initial operating period, the Contractor must:</p> <ul style="list-style-type: none"> • provide all necessary training and technical advice to the Principal in respect of the operation of the RRF; • ensure that any third party provider of technology to the RRF is available to assist with training and troubleshooting; and • fulfil all handover requirements of the RRF (including rectifying any defects or omissions in the Works discovered during the initial operating period).
22	Warranties	The Contractor must give the usual warranties, including a warranty as to its and its subcontractors' skill and experience.
23	Technology licence	The technology licence for the Project (including operation of the RRF for 20 years) must include technical support from the licensor to the Principal during the period of the licence.
24	Project committee	<p>There will be a project committee to oversee the Project consisting of an independent chairperson and an equal number of senior representatives of the Principal and the Contractor.</p> <p>Decisions of the project committee are recommendations to the parties, but are non-binding.</p>
25	Dispute resolution	<p>Each party must notify the other party of any matter which may amount to or result in an issue between the parties in relation to the Contract or the Project or which may potentially lead to a dispute under the Contract and, prior to either party giving a notice of dispute under the Contract, the project committee must discuss the matter and provide a recommendation to the parties in respect of the matter.</p> <p>The dispute resolution procedure under the Contract will be as follows:</p> <ul style="list-style-type: none"> • following the giving of a notice of dispute under the Contract, the parties must confer and attempt to resolve the dispute; • if the dispute is not resolved by the conferral of the parties, either party may refer the dispute to mediation; and • if the dispute is not resolved by mediation, the Principal may elect to either refer the dispute to arbitration or commence legal proceedings in respect of the dispute.

APPENDIX D

Additional Site Information

Appendix D is a summary of relevant information regarding the available sites for the RRF. The information has been summarised from the Cardno BSD / Meinhardt Joint Venture report for the EMRC entitled 'Assessment of Sites and Technologies Report' (2007).

Red Hill Site

The Red Hill site is a part of the Red Hill Waste Management Facility, which is located 12 kilometres north-east of Midland, on the southern side of Toodyay Road. The site comprises Part Lot 12 on Plan 26468 (commonly known as the Red Hill Farm) and is owned by the EMRC. Lot 12 is located in the City of Swan while also bordering the Shire of Mundaring.

The Red Hill Master Plan – Background Report (BSD Consultants, 2003) identifies Lot 12 as a potential location for a number of future waste management operations. **Figure A** outlines the developable area of Lot 12. Lot 12 is affected by buffers and road reserves, which reduce the developable area. It is advised that the Perth to Adelaide Highway will traverse the northern portion of the Red Hill site. Further, the proposed Hills Spine Road will reduce the developable area of Lot 12 by occupying a significant portion of the north-eastern corner. The Red Hill site has a developable area of 70.6 hectares after deducting the Road Reserves and required buffers.

Further investigation is required to determine the exact location of a RRF within the site. It is anticipated that it would need to be positioned towards the eastern boundary as specified in **Figure A**. This allows for future access from the proposed Hills Spine Road. It is expected that a weighbridge and gatehouse will be located at this new entrance.

In addition, **Figure A** displays Lots 1, 2, 11, 82 and 501. Lots 1, 2 and 11 are located to the west of the Lot 12. Landfill operations commenced in 1981 in Lot 11, which was filled to capacity in 1996. Current landfill operations are undertaken in Lots 1 and 2. To the south, portions of Lots 82 and 501 (located in the Shire of Mundaring) have been purchased by the EMRC to secure a buffer from the Hidden Valley Estate. Barbarich Estate exists to the east of the Lot 12 and is separated from the site by the road reserve that will hold the future Hills Spine Road and the eastern portion of Lot 12.

The Red Hill Landfill uses modern techniques and principles of sanitary landfill design and operation, including leachate collection and methane gas capture. The EMRC have also established a greenwaste processing area, which enables greenwaste to be diverted from landfill. Greenwaste processing techniques include windrow composting and mulching.

The potential RRF technologies proposed are all permitted on the Red Hill site and as such no amendments to either the Metropolitan Region Scheme or the City of Swan Town Planning Scheme No.9 are required.

An aerial view of the Red Hill Waste Management Facility and the location of the proposed Red Hill RRF Site are shown in **Figure B**.

Figure A: The Red Hill Waste Management Facility incorporating Lot 12 (potential Resource Recovery Facility site) in addition to Lot 1, 2, 11 and part Lots 82 and 501

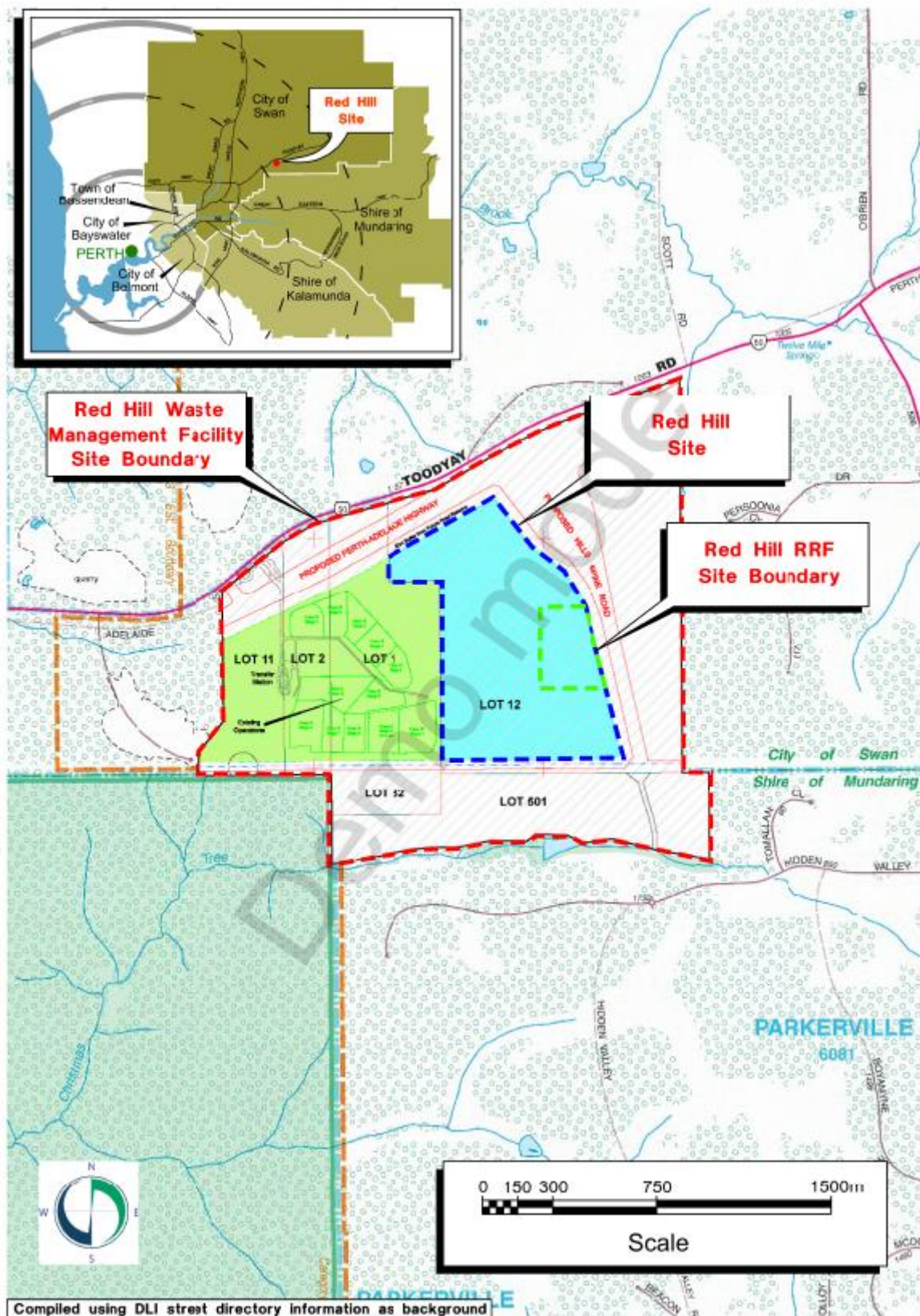


Figure B: Aerial View of the Red Hill Site



Lakes Road (Hazelmere) Site

The Lakes Road (Hazelmere) Site is located approximately 3 kilometres south of Midland and on the northern side of Lakes Road in Hazelmere. The Lakes Road site consists of two lots and is wholly located within the City of Swan. The Lakes Road site comprises Lot 100 on Plan 4553 and Lot 201 on Deposited Plan 3970. Both lots are owned by the EMRC.

The total combined area of Lots 100 and 201 that is available for the potential development of a RRF is 9.24 hectares. The EMRC has expressed an interest in purchasing additional 2.16 hectares of land between the existing site and the extension of Lloyd Street to Lakes Road. If successful, this would increase the developable area of the site to 11.4 hectares.

The zoning of the Lakes Road site under the Metropolitan Region Scheme supports the proposed land use and as such no amendment is required. An “Outline Development Plan” is required for the site. The “Outline Development Plan” would be required to identify the proposed RRF. Council and the Western Australian Planning Commission would then be required to adopt the “Outline Development Plan”. It is likely that the RRF would be a discretionary land use. The site could be suitable for a Resource Recovery Park, as it is accessible by the community.

Figure C displays the location of the site while **Figure D** shows an aerial view of the site.

Figure C: Location of the Lakes Road (Hazelmere) site

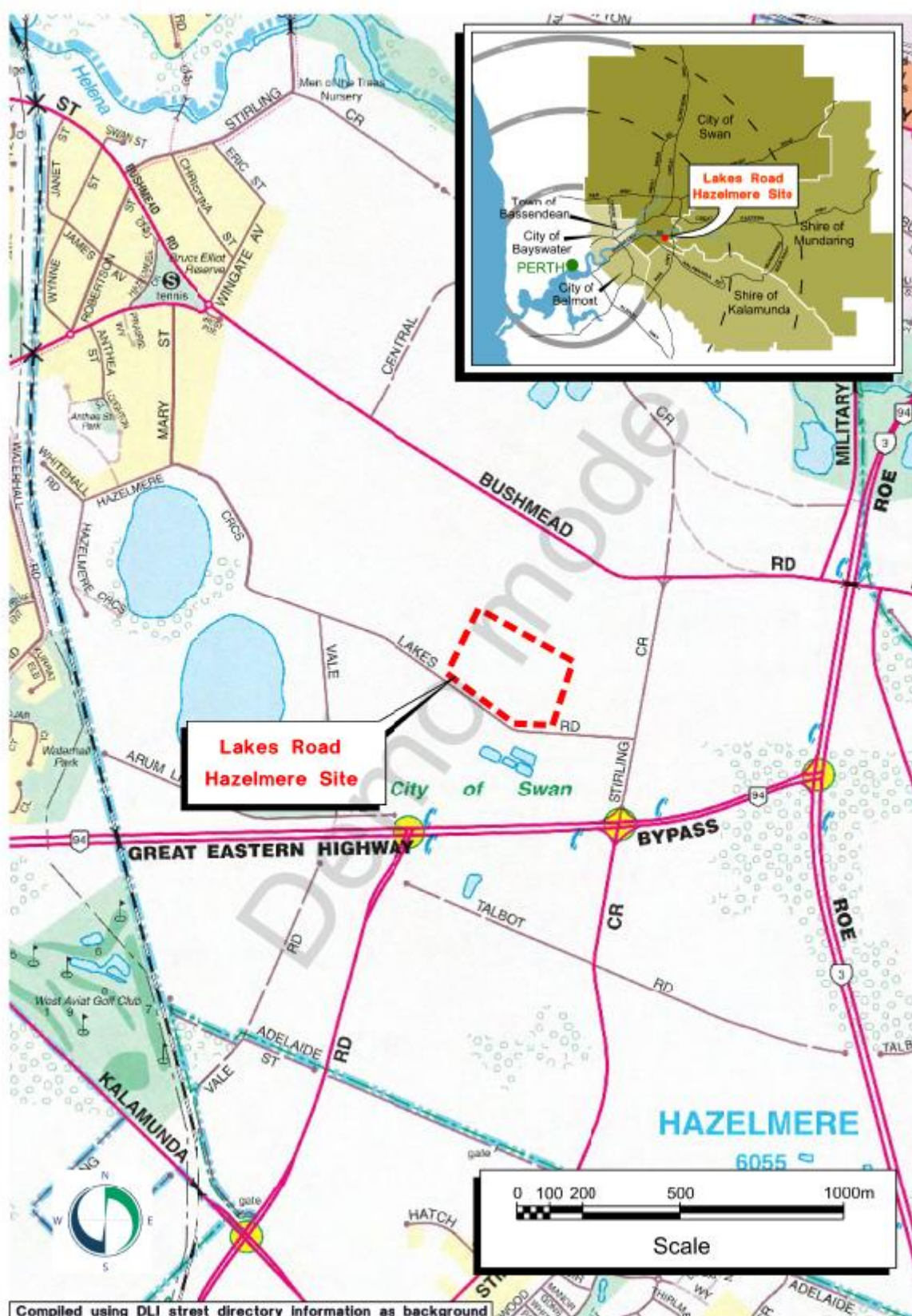


Figure D: Aerial View of the Lakes Road (Hazelmere) site

