



Name of Procurement:	Assessment of outcomes and recent performance of investment of the waste levy
Prepared by:	Michelle Kazor – Programme Director Waste Investments
Business Peer review conducted by:	Tim Allen, Principal Advisor, Stephanie Hill, Principal Advisor, Tessa Knight, Programme Manager
Date:	4 July 2024
Budget for this work (NZ\$ excl. GST):	\$130,000

ENDORSEMENTS AND APPROVALS

Endorsed by Procurement Business Partner: Niamh Quirke, Procurement Advisor Date: 4/07/2024	Signature: 
Approved by Contract Owner: Glenn Wigley, General Manager Date: 7/07/2024	Signature: 
Approved by Financial Delegation Holder: Sam Buckle, Deputy Secretary Date: 9/07/2024	Signature: 
Comments relating to the plan and sign off: The business has chosen to take a Low-Risk Request for Quote approach (LR-RFQ), however Procurement's recommendation to the business was to run a Closed RFQ (secondary) due to high-risk factors such as political and/or public interest, overall value, scope and detailed evaluation criteria. Please see the 'Procurement Strategy' section for more details.	

Total Procurement Value Ex GST (Departmental)	*Position holding <u>Financial Delegation</u>
Up to and including \$40,000	Manager
Up to and including \$100,000	Director/GM
Up to and including \$250,000	Deputy Secretary
Up to and including \$1,000,000	Chief Operating Officer (COO)
Over \$1,000,000	Secretary for the Environment

PLANNING

Background & context for this procurement

Purpose for procurement:

This procurement arises from Cabinet decisions made on 29 April 2024 with respect to the investment of the waste disposal levy to achieve Government priorities.

The purpose of this procurement is to engage a suitable consultancy to provide expert advice that will support the invitation for the Minister for the Environment to report back to Cabinet by October 2024 on the performance of central Government spending of the waste levy ([refer CAB-24-MIN-0138](#), recommendation 22)

While not expressly required by the Cabinet minute, we propose that parts of the report back preparation be undertaken by a third party, to ensure independence.

Background & further context

The previous Government had implemented an [expanded and deepened waste to landfill levy regime](#). The waste levy expansion policy was intended to enable the waste levy to:

1. raise further revenue for investment that would be used to promote and achieve waste minimisation;
2. increase the cost of waste disposal to recognise that disposal imposes costs on the environment, society, and the economy eg externalities; and
3. provide an economic signal and incentive to divert materials to beneficial end use, and/or to further reprocessing into products with market value, by increasing the cost of disposal.

The waste investment funds

The [Waste Minimisation Fund](#) (WMF) is the primary fund for investing the Government portion of the waste disposal levy along with the [Plastics Innovation Fund](#). Monies for both funds have come from the same Government appropriation. PIF is currently closed, and we do not expect to reopen it. Instead, we intend to condense into a single fund with multiple signals under the WMF.

In light of the levy expansion and significantly more levy money available for investment, before the WMF reopened in October 2022, significant changes were made to fund management processes including the fund being open year-round with a focus on initiatives that make the greatest impact (reflected in an increase in the minimum grant size). Given the quantum of levy expected to be generated and managed, sizeable investments were also made in the levy expansion period by MfE in funds management processes, including a Funds Management System.

Investment in waste materials collection, sorting and reprocessing has increased through these funds. Waste disposal levy monies were also supplemented in recent years by investment in resource recovery infrastructure and enabling assets using monies from the Covid-19 Response and Recovery Fund and Climate Emergency Response Fund.

The coalition Government has been establishing its priorities for the waste work programme and for waste levy investment alongside Budget 24 savings exercises.

In doing so, the Cabinet agreed (refer [CAB-413](#) and CAB-24-MIN-0138) to a substantial amendment to the WMA 2008 to allow for a broader use of levy funds for a wider range of environmental outcomes. The amendment, which is due to come into effect on 1 July 2024, will also include further step increase to the levy over a three year period, which will provide

	<p>additional revenue for central and local government investment while also allowing for fiscal savings.</p> <p>Cabinet considered there to be limits to how much levy revenue can be strategically invested into waste minimisation without the risk of crowding out private investment or creating ongoing subsidies for services and/or onshore processing. Cabinet also determined it would be appropriate to set an envelope for the levy revenue allocated to Central Government waste-related investments (including contaminated sites and vulnerable landfill remediation).</p> <p>Cabinet recommendations (refer CAB-24-MIN-0138, recommendation 22) invited the Minister for the Environment to report back, in consultation with the Minister for Regulation, to Cabinet by October (interpreted as end of October 2024) on <i>“the performance of government spending funded by the levy, with a focus on value for money, whether private investment is being crowded out, on improved environmental outcomes, and on the market failures surrounding waste disposal that have resulted in the need for a levy;”</i></p> <p>The first part of this recommendation, which we interpret as “the performance of government spending funded by the levy” is the focus of this procurement. In terms of defining performance, consideration will be given to value for money, whether or not environmental outcomes have or will be achieved, and whether private investment is being crowded out.</p> <p>Related Cabinet recommendations include (summarised from CAB-24-MIN-0138):</p> <ul style="list-style-type: none"> • identifying and establishing before Budget 25 the appropriate quantum for Central Government waste related investments to be funded by the waste disposal levy, and other environment activities that will generate fiscal savings; and • invited the Minister to independently review the process for making investment decisions using the waste disposal levy and back-office functions in the Ministry for the Environment relating to the waste disposal levy, with a focus on value for money. <p>These two recommendations will be addressed separately outside this procurement and are provided for context only.</p>
<p>Description of Requirements / Scope of Work</p>	<p>MFE require the services of a consultant to provide advice and a report based around three key objectives.</p> <p>These reports will form part of Ministry for the Environment’s advice to the Minister for the Environment and to Cabinet.</p> <p>Objective 1: Provide a report giving independent advice on how well the Central Government investment is performing in terms of outcomes, giving consideration to:</p> <ul style="list-style-type: none"> • value for money ¹ from use / investment of the Central Government portion of the levy through the waste funds (eg Waste Minimisation Fund and Plastics Innovation Fund) • outputs and outcomes being achieved through the above, both quantitative and qualitative benefits (quantitative examples - tonnes of waste diverted to beneficial use; associated emissions reduction; displacement of virgin plastic use, or other benefits etc) • potential for outcomes to be achieved in the near future arising from recent investment decisions.

¹ It is important that a clear definition of value for money and appropriate quantitative and qualitative measures are agreed from the outset of the project. Definitions and proposed measures should be included in the proposal.

At minimum in undertaking the requirements for Objective 1, we expect the consultant to consider:

- relevant market dynamics in the waste sector
- project level outputs, outcomes and benefits, as well as portfolio level outcomes and benefits
- the potential performance that might be reasonably expected from investments made since the central government investment model was reset in 2022, based on forecast performance measures and current status reporting of a reasonable sample of projects; noting that the vast majority of projects awarded Government funding since the levy expanded are still in progress and outcomes will not be measurable until post-project completion
- how criteria such as value for money, additionality, potential outcomes and benefits, and potential for 'crowding out' are assessed and managed in funding processes
- performance for the two-three years prior to the substantial increase of the waste levy across a reasonable sample of projects including recently closed or closing projects to verify reported outcomes and outputs, which may include interviewing a sample of recipients and reviewing data gathered by the Ministry for the Environment.
- It is also expected that the consultant will undertake a cost benefit analysis of investments to determine value for money. The consultant will propose an approach to CBA that reflects the relatively tight timeframe for this work.

Objective 2:

Examine whether there are situations in which investment of the levy (by either central government and/or local government) may have the effect of crowding out or having a negative impact on private capital investment.

The consultant should:

- consider how this potential risk is managed and mitigated by the waste investment funds using information obtained during the delivery of objective one.
- examine approximately four-five case studies across a representative sample of Territorial Authorities eg Auckland, Queenstown, Wellington, Gisborne, Thames-Coromandel.

Note: This consideration of the potential for crowding out is not an investigation into the merits of levy distribution to central or local government. It is meant to inform whether any further parameters or mitigations might be needed to maximise its most effective investment.

Objective 3:

Provide any practicable recommendations on how the performance of government investment of the levy could be improved.

Out of Scope:

The following elements are considered out of scope for consideration in this engagement:

- The review is not a financial audit of the Central Government's waste investment funds.
- This work excludes review of the administrative delivery of the waste investment funds, apart from consideration of how potential for 'crowding out' is addressed and mitigated through fund decision-making processes.
- The review does not anticipate the consultant to undertake detailed policy analysis or regulatory impact analysis, relating to the waste disposal levy or hypothecation settings.
- The review will not consider the portion of the levy that will be allocated post 1 July 2024 to the Government's waste work programme.

Project approach:

We suggest the following approach to deliver this work.

Discovery:

The consultant will be provided with detailed information about the waste funds (Waste Minimisation Fund, Plastics Innovation Fund), and the recent / current portfolio of projects. Available information on outputs, outcomes and 'results' from funded projects, including past evaluation information will be provided for review.

There may be information from other agencies that is also relevant for the consultant to review, including Commerce Commission reports, evaluations of other agency funds, and or Office of the Auditor General reports relating to funds management.

The Ministry will also share with the consultant a sample of applications which are under assessment or have been recently assessed and awarded or declined, demonstrating the end-to-end process. This information will provide the consultant with an understanding of the application assessment process and how value for money / benefits are determined, alongside considerations made with respect to unintended consequences such as for crowding out.

The Ministry will also provide suggestions for a representative sample of Territorial Authorities for Objective 2.

Analysis:

This stage should involve stakeholder engagement to collect views and information and data that help confirm the consultant's understanding of the structure and dynamics in the market for the provision of waste services. Due to the tight timeframes, we expect stakeholder engagement to be fairly limited. It may include interviews with Ministry subject matter experts and very limited external consultation (eg. WasteMINZ Territorial Authorities Officers Forum; Waste & Recycling Industry Forum, and the Zero Waste Network), where it is necessary to deepen the consultants' understanding of the waste sector market and system context and dynamic.

We also expect that the consultant will need to interview and/or seek clarification information from a sample of waste funds applicants and/or funding recipients, as part of verifying information on value for money and outcomes arising from funded projects. While data on the portfolio will be provided, due to tight timeframes we suggest the verification and/or case study approach look at approximately six to ten recent funding recipients. The sample should include recently closed or closing projects, as well as review of some more recently funded projects still in progress. The consultant may also wish to consider a small number of applications which were declined to ensure decision-making processes relating to outcomes is understood.

We also expect the consultant to interview and consider information from four to five Territorial Authorities to assess the risk of crowding out private capital by local government. We will provide you with potential councils to consider eg Auckland, Gisborne, Queenstown and Wellington for example.

We would like proposals to outline other complementary research and analysis that you will need to undertake in order to deliver on the key project objectives.

The findings from the literature review and analysis should be organised and presented clearly in a report. It should use all the information analysed to give insight or advice, which the Ministry can draw on for the Cabinet report back.

Key capabilities required are:

- Previous experience on projects that provided policy recommendations to Government.

	<ul style="list-style-type: none">• Good knowledge of the waste sector, the waste 'system' and markets, across waste streams and functional levels from collection through to processing and end markets.																
Key Deliverables	<p>Key deliverables:</p> <p>A clearly written, well analysed and evidenced report, anticipated in at least three parts, which presents findings in relation to the Objectives 1 - 3.</p> <p>We expect this work to produce the following outcomes/deliverables:</p> <table><tr><th>Milestone/Deliverable/Outcome</th><th>Indicative Date</th></tr><tr><td>A draft report provided for feedback</td><td>11/09/2024</td></tr><tr><td>Final report</td><td>25/09/2024</td></tr></table>	Milestone/Deliverable/Outcome	Indicative Date	A draft report provided for feedback	11/09/2024	Final report	25/09/2024										
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Added Value	<p>The deliverables from this procurement may help support and provide insight useful and relevant to the other independent review (refer CAB-24-MIN-0138 para 23), which is being procured separately. That review aims to consider the process for making investment decisions using the waste disposal levy and back-office functions in the Ministry for the Environment relating to the waste disposal levy, with a focus on value for money.</p>																
Market analysis	<p>Supply and Market options considered for this procurement include suppliers from the All of Government Panel Consultancy Service Panel. The suppliers have been identified and selected based on their economics expertise and after the MfE internal team sought market understanding of potential suppliers received from the Minister for Regulation's, due to their invested interest. The below suppliers are Tier 1 & 2 with the relevant skills required in Finance and Economics.</p> <table><tr><th>Supplier Name</th><th>Contact Person</th><th>Email address</th><th>Proposed Contract</th></tr><tr><td>Castalia</td><td>Castalia Wellington (Address to Andreas Heuser)</td><td>Wellington.Admin@castalia-advisors.com</td><td>CSO</td></tr><tr><td>Martin Jenkins</td><td colspan="2" rowspan="3">9(2)(a)</td><td>CSO</td></tr><tr><td>NZIER</td><td>CSO</td></tr><tr><td>Sapere Research Group Limited</td><td>CSO</td></tr></table>	Supplier Name	Contact Person	Email address	Proposed Contract	Castalia	Castalia Wellington (Address to Andreas Heuser)	Wellington.Admin@castalia-advisors.com	CSO	Martin Jenkins	9(2)(a)		CSO	NZIER	CSO	Sapere Research Group Limited	CSO
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Forecasting/planning	<p>Will there be an ongoing need for this service beyond this procurement?</p> <p>No</p>																
Past procurement activity	<p>Has any procurement activity been undertaken in relation to this need already?</p> <p>Yes</p> <p>There are a number of past procurements that focused on the waste levy policy eg NZIER, Eunomia etc. There have also been procurements that involved evaluation and/or outcomes frameworks for the Waste Minimisation Fund (Sapere and Akina), and previous operational reviews of the Waste Minimisation Fund (PWC and Deloitte). Other procurements that may have some relevance include the Eunomia 'stocktake' work. There are likely to be others, which may be useful documents to form part of the initial 'discovery' phase for the consultant.</p>																

	<p>There is also expected to be additional /separate procurement related to the Cabinet paper, as outlined in the context section.</p>
Procurement strategy	<p>The chosen procurement strategy is a Low Risk Competitive Process. This will involve a Low Risk RFQ.</p> <p>The contract opportunity will be advertised through MfE closed email invitation.</p> <p>Procurement's recommendation to the business was to run a Closed Tender Request for Quote (Secondary) due to high-risk factors such as political and/or public interest, overall value, scope and detailed evaluation criteria. The questions in the evaluation criteria will require the respondents to provide more detail in their responses than what is usually expected in the Low Risk-RFQ approach.</p> <p>Overall, Procurement advice is that the LR-RFQ approach is not the most <i>suitable</i> option in this instance, however, this does not mean that the approach cannot be taken and Procurement will support the business to mitigate the identified risks.</p> <p>It is the Ministry of Business, Innovation and Employment's (MBIE's) expectation that Government agencies utilise the AOG panels or other comparable panels that have been established through an open and competitive process wherever practicable via a secondary procurement process, either through a direct source or closed tender.</p> <p>The following valid exemption to the Government Procurement Rules recognises secondary procurement processes:</p> <ul style="list-style-type: none"> • 14.9 (i) Where an agency has established a panel of suppliers (in accordance with Rule 57) or is purchasing under an All-of-Government contract (Rule 58), Syndicated contract (Rule 59) or Common Capability contract (Rule 60), it does not need to openly advertise individual contract opportunities that are awarded through that arrangement. <p>This approach to market aligns with the <i>Government Procurement Rules 4e</i> and the New Zealand Government's Procurement Principles.</p>
Probity	<p>Probity in this procurement will be managed by:</p> <ul style="list-style-type: none"> • ensuring compliance with the Ministry's policies • ensuring that financial authority for the procurement is approved before proceeding to tender • acting fairly, impartially and with integrity, acting lawfully, and being accountable and transparent • ensuring anyone directly involved in the process signs a confidentiality agreement and declares any actual, potential or perceived conflict of interest • identifying and effectively managing all potential, perceived or actual conflicts of interest • treating all suppliers equally and fairly • protecting the supplier's commercially sensitive and confidential information. • providing each supplier with a comprehensive debrief at the end of the tender process.

Stakeholders	Detail important internal and external stakeholders:	
	Stakeholder/Group Name	Level of and Reason for Interest
	Ministry for Regulation (external)	The Cabinet recommendation required this work to be undertaken in consultation with the Minister for Regulation. The Ministry for Regulation (MfR) have been engaged and are supporting this procurement. The Minister for Regulation has signed off on the procurement scope and a representative from MfR will be on the evaluation panel.
	Waste regulatory and policy team (internal)	Policy interest- help to shape and inform policy relating to the waste levy
	Waste investments team (internal)	Review involves consideration of recent performance of the waste investment funds; and consideration of how crowding out is avoided
	Te Purengi	Policy interest- help to shape and inform policy relating to the waste levy; and on the scope of use of the waste levy revenue
	Minister	Policy interest – will help inform and shape policy relating to the waste levy and use of revenue
	Waste industry – includes both private and charitable sector across life cycle eg collection, sorting, recycling, processing & disposal etc	Industry will be interested in the outcomes of this work. Involvement of external stakeholders should be limited to where there is a necessary information requirement
	Waste investment fund recipients	May be interviewed and/or involved in the work where outcomes/results of funded projects is being verified and evaluated
	Territorial Authorities	Councils will be interested in the outcomes of this work as it relates to use of the waste levy and associated issues. Involvement of stakeholders in the work should be limited to where there is a necessary information requirement, as per Objective 2.
IT requirements	There is no special IT requirement to this procurement.	
Health & Safety	There is no Health and Safety risk associated with this procurement.	
Sensitive Information	<p>The supplier requires or will have access to sensitive, restricted, or secret or top-secret official information or data. Yes (commercially sensitive information only)</p> <p>The contract is expected to give the supplier access to sensitive premises or critical services. No</p> <p>If yes, can these risks be mitigated? Detail proposed mitigations: We may need to share existing research including studies provided by external consultants or internal research, or funding applications, deeds or related data which contain commercially sensitive information. We may be able to share them with redactions, but if that is not possible, we will need to ensure information is maintained as confidential. The tender process will require potential suppliers to detail their respective methods / approaches to managing sensitive / confidential information and appropriate confidentiality provisions will be included in the contract with the selected supplier. Where required, such as with funding recipients, we will request permission to share information where possible.</p>	

	<p>Could the successful supplier potentially use the contract to act in a way that is contrary to New Zealand's security interests? No</p> <p>The Ministry's Chief Security Officer and Risk, Assurance and Resilience team have been informed.</p>								
Brand & Experience	The procurement will not result in a publication and/or require design work.								
Sustainable Materials & Packaging	There are no physical products being produced as part of this procurement.								
Privacy considerations	There are no privacy considerations within this procurement.								
Legal Services or Law Firm Engagement	The procurement will not result in services from a lawyer or legal firm.								
Talent Considerations	The procurement will not provide resource to fill an internal role.								
Budget and Financial	<p>This section confirms budget allocation, information access and financial years for the contract.</p> <p>Note – This procurement was not budgeted for in the current or next financial year. It has arisen from a Cabinet request for a report back. We expect the contract to commence from 1 July 2024, with expenditure arising in the first quarter of FY25.</p> <p>We expect the engagement to be funded from the waste levy departmental operating expenditure.</p> <table border="1"> <tr> <td>Is there an existing placeholder for this procurement in FMIS? Title: Independent Waste Levy Review I have consulted with Richard Clark.</td><td>Yes</td></tr> <tr> <td>If the duration of your contract goes across multiple financial years, you must discuss with your Finance Business Partner prior to finalising the procurement plan.</td><td>Yes</td></tr> </table>	Is there an existing placeholder for this procurement in FMIS? Title: Independent Waste Levy Review I have consulted with Richard Clark.	Yes	If the duration of your contract goes across multiple financial years , you must discuss with your Finance Business Partner prior to finalising the procurement plan.	Yes				
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Agreement duration	<p>Contract Start Date: 7/07/2024</p> <p>Contract End Date: 04/10/2024</p>								
CONFLICT OF INTEREST									

Internal Process	<p>Have any individuals directly involved in the procurement process declared any real, potential or perceived Conflict of Interest upon commencement of their involvement?</p> <p>Conflict of interest forms will be sent out to panel members as soon as the panel is confirmed. Once they are returned and if any conflicts of interest have been identified, management plans will be put in place.</p>	have not
	<p>If your procurement is a competitive process, anyone involved in the procurement must complete an Internal Conflict of Interest Declaration Form and have this reviewed by Procurement. All involved individuals are required to immediately report any Conflict of Interest that arises at any time during the procurement process (including once participating Suppliers have been identified).</p> <p>For each Conflict of Interest identified, a Conflict Management Plan must be signed by Procurement and the person making the declaration.</p>	
Supplier Declaration	<p>Is your procurement strategy a direct source?</p> <p>If yes, see below. If no, move onto Risk Assessment.</p>	No
	<p>For all direct source procurements, we require the proposed Supplier, their nominated personnel and any sub-contractors to complete an External Conflict-of-Interest form prior to engaging in a contract.</p>	
	<p>Confirm you will send the following COI form to the Supplier and their nominated personnel to complete prior to contracting.</p> <p>External Conflict of Interest form & Management Plan.docx</p>	Yes
	<p>If the Supplier declares a conflict, the conflict-of-interest management plan must be completed and passed to the financial delegation holder for consideration and approval, alongside the procurement plan being signed.</p> <p>Has this task been completed?</p>	To be done
RISK ASSESSMENT		
<p>Key procurement risks related to this plan have been identified and rated using the scale below. Mitigation actions are also detailed in the table.</p>		

		THREATS CONSEQUENCE			
		Minor	Moderate	Major	Severe
LIKELIHOOD	Almost Certain	Medium	High	Extreme	Extreme
	Likely	Low	High	High	Extreme
	Possible	Low	Medium	High	High
	Unlikely	Very Low	Low	Medium	High
	Rare	Very Low	Low	Medium	Medium

Risk	Mitigation action	Rating Category
Suppliers may not respond with quality proposals	Reasonable number of suppliers being asked to supply a proposal. Consultants have 'less work' at the moment, so we think they are likely to respond favourably. Each respondent's proposal will be scored and evaluated. If the panel do not feel confident in the proposal submitted by the highest ranked supplier, with justification, we can review other options to source a suitable supplier.	Very low
Conflict of interest and confidentiality management	MFE will consider COI before we request for proposals to eliminate suppliers where we believe there is a significant conflict. All parties involved in procurement documentation development, evaluations and contracting must complete a COI. The supplier will also be asked to complete a COI as part of the agreement. Any conflicts will be reviewed and assigned an appropriate management plan to mitigate the impact.	Low
The consultant is unable to access enough information due to commercial sensitivity	Restrict the work as far as possible to areas that can be informed by publicly available data. Sign confidentiality agreements with recipients, TAs or other stakeholders or public agencies who may be willing to share information if they see benefits to them from the outputs of the work.	Medium
Timeline is too tight to get the work done with the required level of quality by early September	Ensure time requirements are well understood by suppliers at time of RFP and that the timeline proposed in the RFP looks achievable. MFE staff to create a comprehensive set of 'discovery' documents to the supplier that will enable a rapid start to the work. MFE staff to ensure they have capacity to respond to queries quickly.	Medium

Timeline	The indicative Timeline for this activity is outlined below:		
	Action	Indicative date	Responsible
	Plan		
	Conflict of Interest declarations signed	5 July	Business
	Procurement plan approved	5 July	Delegation
	RFx documents developed/endorsed	5 July	GM
	RFP (tender)		
	Tender released	12pm 8 July	Business
	Last date for supplier questions	12pm 12 July	Business
	Last date to answer questions	12pm 16 July	Business
	Tender closing date	12pm 24 July	Business
	Evaluation		
	Panel confidentiality & conflict of interest declarations signed	5 July	Business
	Evaluation Panel read the quotes	25 July	Business
	Evaluation Panel Moderation	26 July	Business
	Clarifications (if required)	29 July	Business
	Lite Approval to Appoint Memo signed	31 July	Delegation
	Post-evaluation		
	Contract Drafting	8 July-31 July	Business
	Advise bidders of outcome	31 July	Business
	Contract negotiation	If required	Business
	Debrief unsuccessful suppliers	If required	Business
	Legal Review of the Contract	1 Aug	Business
	Contract Signed	By 7 Aug	Business
	Anticipated Contract start date	7 Aug	Business
	All documents submitted for Processing	7 Aug	Business
Evaluation methodology	The evaluation model that will be used is weighted attributes Price will be a weighted criterion		
Evaluation team (Minimum of 3)	A cross-functional team will be involved in the evaluation of responses and recommending the preferred supplier.		
	Evaluation Chair	Matthew Ide (will also be a scoring evaluator)	
	Team Member	Job Title	
	Ben Temple	Ministry for Regulation representative	
	Tim Allen	Principal – Waste Investments	
Evaluation Criteria	Preconditions Each supplier must meet all the following pre-conditions before its response will be considered for evaluation on its merits.		
	#	Pre-condition	
	1.	Supplier must read and understand the New Zealand Government Supplier Code of Conduct , and ensure their nominated subcontractors are aware of the Code.	

Having met all of the preconditions qualifying responses will be evaluated on their merits using the following evaluation criteria and weightings.

Evaluation Criteria

Criteria	Weighting
Proposed solution/Technical Merit	20%
<p>Please outline how you propose to deliver to our requirements. We will be looking for a well thought out methodology to deliver the key objectives. This may be demonstrated through:</p> <ul style="list-style-type: none"> a) Analytical & evaluation methods employed (eg economic, risk and incentive frameworks applied to understand the impacts of market structure and dynamics on diversion and recycling; evaluation /outcomes assessment approach) b) Sources and types of data and information you will collect and the analysis you will undertake to produce insights and provide evidence. c) Examples of questions that you will ask various stakeholders. <p>Please include detail regarding your methods / approaches to managing sensitive / confidential information.</p> <p>Please include suggested definition(s) of value for money and proposed measures.</p>	
Capability of the Respondent to deliver	20%
<p>List the key personnel who will deliver the services, and their qualifications and experience. Relevant experience should include:</p> <ul style="list-style-type: none"> a) Expertise with economic analysis of markets, assurance and evaluation frameworks, and policy analysis. b) Knowledge and understanding (or the ability to thoroughly understand) of the waste system and market dynamics. 	
Capacity of the Respondent to deliver	20%
<p>Please provide a high-level project plan to show how you will meet our timeframes.</p> <p>The respondent must demonstrate that they can dedicate an appropriate level of expertise and resource to be able to deliver the project outcomes on time and on budget. Please ensure this includes information on risk mitigation including a business continuity plan ie. what contingency do you have in place for any unexpected personnel absence or delays?</p>	
Track record	20%

	Describe what experience your organisation has in delivering the required services. We will look for the following experience:		
	a) Economic and market analysis work (including but not limited to regulatory, competition economics, industrial organisation, market design, financial analysis), either as employees or consultants/expert advisers.		
	b) Good understanding of outcome evaluation frameworks, risk assessment methodologies and assurance.		
	c) Good knowledge of the waste sector, across waste streams and functional levels from collection through to processing and end markets (from past project experience or relevant employment).		
	d) Stakeholder engagement.		
	Price	20%	
	Price must represent Public Value meaning the pricing submitted demonstrates the best available results for New Zealand for the money spent inclusive of using resources effectively, economically, and responsibly. Please refer to the price schedule outlines in the LR-RFQ document.		
	Total weightings	100%	
Scoring Table	Excellent	Exceeds the criterion Respondent demonstrates exceptional ability, understanding, experience and skills. The Proposal identifies factors that will offer potential added value, with supporting evidence.	5
	Good	Fulfils the criterion Respondent demonstrates above average ability, understanding, experience and skills. The Proposal identifies minor additional benefits, with supporting evidence.	4
	Acceptable	Meets the criterion Respondent demonstrates the ability to meet the criteria, with supporting evidence.	3
	Minor reservations	Partially meets the criterion Satisfies only a minimum of the criteria but not all. Reservations about the Respondent to adequately meet the criteria. Little supporting evidence.	2
	Serious reservations	Limited demonstration to meet the criterion Extremely limited or no supporting evidence to meet the criteria. Minimum effort made to meet the criteria.	1
	Unacceptable	Does not meet the criterion Does not comply or meet the criteria at all. Insufficient information to demonstrate the criteria.	0

Due Diligence	The following verification matrix will be used as part of the evaluation and due diligence process. The table shows how elements of the criteria will be verified by the panel.			
	Evaluation and due diligence options	Criteria		
		Fit for purpose	Ability to deliver	Value for money
	Written offer/tender documents	✓	✓	✓
	Buyer clarifications of offer	✓	✓	✓
	Reference checks	✓	✓	✓
	Interview	✓	✓	
	Presentation	✓	✓	
	Accepts proposed contract conditions		✓	
	Additional Process			
If the Respondent is a contracted Supplier, the Ministry may				
<ul style="list-style-type: none">• consider their own experience of service delivery, including in relation to meeting contractual obligations, ease of communication and relationship management.• Consider any other matter that is highlighted through the evaluation process.				
The above processes and due diligence may be used to adjust the weighted outcome up or down, and due diligence criteria may be used to disqualify a Respondent.				
Exclusion of a Supplier for due diligence requires the written approval of the Financial Delegation Holder.				
Negotiation Considerations	Considering negotiations is a strategy to aid in public value and/or additional values/benefits in a procurement outcome.			
	Negotiations will be planned post-evaluation if required, to address any shortfalls or areas needing agreement in the preferred supplier’s response prior to contracting.			
MANAGE				
Form of Agreement	The proposed form of Agreement (subject to risk and Legal review if applicable) is Consultancy Services Order (CSO).			
	Identify if you need a legal review has indicated this Agreement will require Legal Review.			
Contract Management	The Contract Owner for this procurement will be: Glenn Wigley			
	The Contract Manager for this procurement will be Matthew Ide.			
	The Contract will be managed by:			
	<ul style="list-style-type: none">• close management and monitoring of deliverables• deliverable-linked payments• regular meetings• supplier reporting (progress reports, issue register)			