



# Lubricant Container Product Stewardship Scheme

Request for Proposal

Transport and Processing Services of drained lubricant packaging

**RFP Released**

23 Sep 20

**Deadline for Questions**

30 Sep 20, 17:00

**Deadline for Proposals**

21 Oct 20, 17:00

Additional information on the Lubricant Container Stewardship Scheme can be found on the website [www.containerstewardship.co.nz](http://www.containerstewardship.co.nz)

Any questions regarding this RFP should be directed to:

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# This opportunity

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## Single use plastics

Industry research estimates that over seven million lubricant containers ( $\leq 20$  litres) are sold each year. These are predominantly single use.

Single use plastic packaging has created a significant environmental issue globally and highlights the need to properly manage the use of our limited resources by transitioning to a circular economy.

Lubricant packaging is hazardous and problematic to recycle due to the residue left inside even when they're empty. This makes the containers and drums difficult to handle and lowers their value as a useful recycled material. While a small percentage are recycled, the majority end up in landfill.

New Zealand's leading lubricant manufacturers and distributors are working to change that.

## The Scheme

The Lubricant Container Stewardship Scheme was designed by the Waste Lubricant Container Working Group (WLCWG) which was established in mid-2018. The establishment brand owners represents around 60% of lubricants supplied to the New Zealand market.

The group is outcome focused and will be actively involved in the Lubricant Container Stewardship Scheme to ensure that it operates under industry best practice with a culture of continuous improvement ensuring efficient and effective product stewardship of lubricant containers.

Establishment Brand Owners who funded the programme design and remain engaged in a governance capacity are:

- Allied Petroleum Ltd (Mobil)
- Castrol NZ Ltd
- Farmlands Co-Operative Society Ltd (Gulf Oil)
- Total Oil NZ Ltd
- TransDiesel Ltd (Shell Lubricants)
- Z Energy

## The goals of the Lubricant Container Stewardship Scheme are to:

- Ensure continuous improvement of industry best practice to ensure efficient and cost-effective recycling of lubricant containers.
- Promote necessary and appropriate action and a fair and consistent approach to management of end-of-life lubricant containers
- Engage with key and relevant stakeholders to ensure the end-of-life management of lubricant packaging is organised and funded correctly

All participation is within the boundaries set by the Commerce Act 1986. Strict adherence to the Commerce Act 1986 is of critical importance to the success of the Lubricant Container Stewardship Scheme.

## **Challenges**

Waste lubricant containers can retain 30-60ml per container once emptied and their incorrect disposal can cause serious environmental impacts to land, air and water. Despite lubricant plastic containers being made from high density polyethylene (HDPE), one of the most consumed plastic resins worldwide, their high levels of contamination severely restricts recycling options.

The Lubricant Container Stewardship Scheme addresses the environmental and resource issues associated with the disposal of waste lubricant containers by considering potential collection, reuse and recycling options.

In addition to contamination, lubricant containers present a number of challenges due to the diversity of size and shape. This project is focused on plastic packaging in sizes from 1 litre to 20 litre.

## **Potential resources**

Waste HDPE lubricant containers can have a useful second life and provide value in a number of applications either pre or post washing including as:

- HDPE plastic resin
- Oil residue
- Virgin material replacement
- Energy from residue
- As components into the manufacture of another product

## **What we need:**

Considering the potential for environmental harm and the opportunity for resource recovery, the development and implementation of an effective and sustainable product stewardship solution for this packaging is of paramount importance.

The Lubricant Container Stewardship Scheme will enable the industry to extract the maximum value from lubricant packaging through the recovery of materials, while contributing to the development of a circular economy. The Lubricant Container Stewardship Scheme aim is to use existing infrastructure such as collection sites for drop off of the packaging by consumers, debulking of packaging to maximise transport efficiencies which may include processing to processor specification, and lastly the processing of the packaging to beneficial end use such as resin for reuse in manufacture.

Proposals may address one part of this process or it may address the whole supply chain needs.

We invite proposals that address any of the following:

- Collection
- Debulking
- Logistic hubs
- Processing

**What's important to us (in no particular order)**

- An approach that addresses the principals of the circular economy specifically to design out waste and pollution and keep products and materials in use.
- Evidence of experience undertaking similar work.
- Confirmation of competencies, compliance with relevant legislation.
- Any recovery and or recycling options of any residual oils collected.
- Understanding that reporting on volumes collected and/or processed is essential for the mass balance data requirements for the Lubricant Container Stewardship Scheme.

# Key information

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## 1.1 Context

This Request for Proposal (RFP) is an invitation to suitably qualified suppliers to submit a Proposal for the delivery of the Lubricant Container Stewardship Scheme including debulking for transport, transport to processors and processing of lubricant packaging

This RFP is a single-step procurement process.

## 1.2 RFP Timeline

All dates and times are dates and times in New Zealand

Steps in the RFP process	Time	Date
Deadline for questions from suppliers:	17:00pm	30/09/2020
Deadline for the Buyer to answer supplier's questions:	17:00pm	01/10/2020
Deadline for Proposals:	17:00pm	21/10/2020
Unsuccessful Respondents notified of award of Contract:	17:00pm	20/11/2020
Anticipated Contract start date:	TBA	

## 1.3 How to contact us

All enquiries must be directed to our Point of Contact shown on the inside page. We will manage all external communications through this Point of Contact.

## 1.4 Developing and submitting your Proposal

This is an open competitive tender process. The RFP sets out the step-by-step process and conditions that apply.

Take time to read and understand the RFP. In particular:

- a) develop a strong understanding of our Requirements detailed in Section 2
- b) in structuring your Proposal consider how it will be evaluated detailed in Section 3

If anything is unclear please email our Point of Contact before the Deadline for Questions.

Please ensure you get your Proposal to us before the Deadline for Proposals

## 1.5 Address for submitting your Proposal

- a. Registrations must be submitted electronically to the address shown on the inside page.
- b. Proposals sent by post or fax, or hard copy delivered to our office, will not be accepted.

## 1.6 Our RFP Process, Terms and Conditions

**Offer Validity Period:** In submitting a Proposal the Respondent agrees that their offer will remain open for acceptance by the Buyer for 3 calendar months from the Deadline for Proposals.

## 1.7 The RFP is subject to the RFP Evaluation Process Available Feedstock

Based on data available from the establishment brand owners at November 2019, of whom are reliably estimated to represent 60% of the total lubricant market, the feedstock expressed by pack size is:

Pack size	Number of packs per year	Packaging kg
1 L Packs	779,743	0.1
4 L Packs	689,728	0.2
5 L Packs	234,982	0.3
10 L Packs	10,008	0.5
18 L Packs	66,519	1.0
20 L Packs	381,066	1.1
Total	2,162,046	

20% by volume is sold via retail (urban and rural) and 80% via Business to Business relationships (eg large generators, commercial enterprises, garages)



## 1.8 Geographic Spread

Based on data available from the establishment brand owners at November 2019, of whom are reliably estimated to represent 60% of the total lubricant market, the geographic spread of the declared feedstock is:

	1 Litre	4/5 Litre	20 Litre
Northland	5%	3%	8%
Auckland	36%	46%	5%
Bay of Plenty	6%	3%	14%
Waikato	11%	7%	16%
Taranaki	2%	1%	2%
Lower North	19%	9%	31%
Nelson-Marlborough	2%	2%	2%
Canterbury	11%	25%	7%
West Coast	0%	0%	0%
Otago	4%	3%	12%
Southland	3%	1%	3%

## **SECTION 2: Our Requirements**

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### **2.1 What we are buying and why**

This RFP relates to the collection from registered collection sites, transport and processing of lubricant packaging in accordance with industry best practice and relevant regulations. The key outcomes that we want to achieve through this contract are:

- Collection from registered collection sites (as provided by Lubricant Container Stewardship Scheme taking into account whether these are rural or urban sites or event based)
- Appropriate debulking of packaging for transport
- Ability to pre-process packaging to supplier specifications (eg cleaned and shredded)
- Measurement of packaging diverted from landfill (typically by weigh bill dockets)
- Efficiency in collection/scheduling of collections and deliveries

### **2.2 What we require: the solution/methodology**

We are seeking a range of solutions that provides for a national footprint of collection and processing of lubricant packaging in scope.

It is envisaged that to deliver an economically sound nationwide model that a hub and spoke methodology for collection and transport to processors who may be in centralised locations may be required.

This will require collaboration to optimise the product stewardship solutions and to be able to contribute to the circular economy on a national scale.

### **2.3 What we require: capability / skills / qualifications / experience / track record**

We are seeking suppliers that are able to demonstrate the appropriate skills, knowledge and experience in relation to the collection, pre-processing for transportation and processing of the lubricant packaging. Key capabilities will include:

- Appropriately trained staff
- Fully licensed transport equipment suitable for the movement of the packaging in scope recognising that in some instances residual oil/grease may remain
- Processing facility, and/or evidence of how processing will be undertaken
  - Appropriate administration staff to supply all data and reporting required by Lubricant Container Stewardship Scheme such as monthly reporting on activity and invoicing

### **2.4 What we require: capacity/availability**

We are seeking suppliers that are able to demonstrate the following capacity:

- Ability to collect across a mixture of urban and rural properties and events

- Availability (infrastructure and staff) to commence within 12 weeks of contract being awarded (negotiable).

## 2.5 Contract term

We anticipate that the Contract will commence in quarter 1 of the 2021 calendar year. The anticipated Contract term and options to extend are:

Description	Years
Initial term of the Contract	3 years
Options to extend the Contract	Up to one extension of one year i.e. X+1
Maximum term of the Contract	4 years

## 2.6 Key outcomes

The following are the key outcomes that are to be delivered.

Description	Date for delivery
Monthly reporting on activity undertaken and any Key Performance Indicators that support the delivery of the national stewardship programme (negotiated)	End of Month
Health, Safety and Environmental reporting as a PCBU	End of Month

## 2.7 Contract for Service

Upon the awarding of a successful RFP, we will proceed to negotiate with you on the contract terms for the delivery of service.

These will take into account your terms of payment and schedule of fees as provided in the RFP response.

## 2.8 Response Template

Please ensure your response addresses the following. You may include any other information you believe to be relevant to the proposal.

- Detailed description of services included in your proposal
- Schedule of fees and terms of payment, price per kilo must be included.
- Geographic coverage proposed.

- Evidence of experience undertaking similar work.
- Proposed upstream and downstream partners/stakeholders (if any)
- Stipulate any requirements you may have for how packaging should be presented (ie cleaned and shredded, drained and baled)
- A detailed health, safety and environmental management plan that identifies how you will manage any potential risks
- A detailed description of how data is managed, so that the mass balance of recovered packaging can be tracked.
- Recognition of current infrastructure such as existing drop off points and service provision.
- Availability (infrastructure and staff) to commence collections within 12 weeks (negotiable) of contract being awarded.

**Proposals are not to include:**

- Provision of collection sites as this will be by separate RFP

## **SECTION 3: Our Evaluation Approach**

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### **3.1 Evaluation model**

The evaluation model used is weighted attribute (price and non-price attributes are weighted). The Proposal with the highest score will likely be selected as the Successful Respondent.

### **3.2 Pre-conditions**

Each Proposal must meet all of the following pre-conditions. Proposals which fail to meet one or more will be eliminated from further consideration.

Respondents who are unable to meet all pre-conditions should conclude that they will not benefit from submitting a Proposal.

<b>No.</b>	<b>Pre-condition</b>
1.	All proposals to include a pricing schedule for services
2.	All proposals to include a detailed health, safety and environmental plan.

### 3.3 Evaluation criteria

Proposals which meet all pre-conditions will be evaluated on their merits according to the following evaluation criteria and weightings.

Criterion	Weighting
<b>Proposed Service Solution</b>	20%
Suitability of service	
<b>Capability/Skills/Experience/Track Record</b>	30%
Detailed Health, Safety and Environmental Plan	
Confirmation of competencies, compliance with relevant legislation - staff training records.	
Evidence of experience undertaking similar work.	
<b>Capacity/Availability</b>	20%
Geographic coverage offered	
Availability (infrastructure and staff) to commence collections within 12 weeks of contract being awarded.	
<b>Price</b>	30%
Detailed pricing schedule	
<b>Total weightings</b>	<b>100%</b>

### 3.4 Scoring

The following scoring scale will be used in evaluating Proposals. Scores by individual panel members may be modified through a moderation process across the whole evaluation panel.

Rating	Definition	Score
<b>EXCELLENT</b> significantly exceeds the criterion	Exceeds the criterion. Exceptional demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence.	<b>9-10</b>
<b>GOOD</b> exceeds the criterion in some aspects	Satisfies the criterion with minor additional benefits. Above average demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence.	<b>7-8</b>
<b>ACCEPTABLE</b> meets the criterion in full, but at a minimal level	Satisfies the criterion. Demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource, and quality measures required to meet the criterion, with supporting evidence.	<b>5-6</b>
<b>MINOR RESERVATIONS</b> marginally deficient	Satisfies the criterion with minor reservations. Some minor reservations of the Respondent's relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	<b>3-4</b>
<b>SERIOUS RESERVATIONS</b> significant issues that need to be addressed	Satisfies the criterion with major reservations. Considerable reservations of the respondent's relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	<b>1-2</b>
<b>UNACCEPTABLE</b> significant issues not capable of being resolved	Does not meet the criterion. Does not comply and/or insufficient information provided to demonstrate that the Respondent has the ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	<b>0</b>

### **3.5 Optional evaluation process and due diligence**

In addition to the above, we may undertake the following process and due diligence in relation to shortlisted Respondents. The findings will be taken into account in the evaluation process. Should we decide to undertake any of these we will give shortlisted Respondents reasonable notice.

- a. reference check the Respondent organisation and named personnel
- a. other checks against the Respondent e.g. Companies Office
- b. arrange site-visits
- c. undertake a check of the health, safety and environmental management system

## **SECTION 4: Pricing information**

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### **4.1 Price**

We wish to obtain the best value-for-money over the whole-of-life of the Contract. This means achieving the right combination of fit for purpose, quality, on time delivery, quantity and price.

If a Respondent offers a Price that is substantially lower than other Proposals offering the same service with the same geographic spread (an abnormally low bid), the Buyer may seek to verify with the Respondent that the Respondent is capable of fully delivering all of the Requirements and meeting all of the conditions of the Proposed Contract for the price quoted.

### **4.2 Pricing information to be provided by respondents**

Respondents are to provide their price as part of their Proposal. In submitting the Price the Respondent must meet the following:

- a. the pricing schedule is to show a breakdown of all costs, fees, expenses and charges associated with the full delivery of the Requirements the respondent has chosen to provide a response for over the whole-of-life of the Contract. It must also clearly state the total Contract price exclusive of GST.
- b. where the Price, or part of the Price, is based on fee rates, all rates are to be specified, either hourly or daily or both as required.
- c. in preparing their Proposal, Respondents are to consider all risks, contingencies and other circumstances relating to the delivery of the Requirements and include adequate provision in the Proposal and pricing information to manage such risks and contingencies.
- d. Respondents are to document in their Proposal all assumptions and qualifications made about the delivery of the Requirements, including in the financial pricing information. Any assumption that the Buyer or a third party will incur any cost related to the delivery of the Requirements is to be stated, and the cost estimated if possible.
- e. prices should be tendered in NZ\$. Unless otherwise agreed, the Buyer will arrange contractual payments in NZ.
- f. where two or more Respondents intend to lodge a joint or consortium Proposal the pricing schedule is to include all costs, fees, expenses and charges chargeable by all Respondents.