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Ian Bairstow
Project SRO Bradford & Calderdale Waste
Partnership
Floor 7
Jacobs Well
Bradford BD1 5RW

Your ref:

Our ref:

Date: 7 December 2011

Dear Ian,

**Bradford City Council and Calderdale Council Waste Infrastructure
Project: Evaluation of Pre-Preferred Bidder Final Business Case (Pre-PB
FBC)**

Thank you for the recent submission of the Pre-PB FBC for the above project, which was received by WIDP on 4 November 2011.

Having scrutinised your submission I am pleased to confirm that the Executive WIDP Team (EWT) have agreed that the project continues to comply with the relevant Waste Infrastructure Credit criteria. We are therefore content for the Authority to proceed in appointing the preferred bidder, as identified within the Pre-PB FBC.

The provisional allocation of Waste Infrastructure Credits remains subject to Defra's approval of the Final Business Case (FBC) and any other necessary approvals, as well as the project remaining consistent with Departmental policies and priorities at the time that final approval is sought.

Furthermore, approval is subject to the following conditions arising from our review of the Pre-PB FBC:

- The conditions set out in the WIDP Commercial Team's close of dialogue correspondence remain in place and should be discharged during the Preferred Bidder (PB) dialogue stage.
- The Authorities confirming that the points being left for resolution at the PB Stage fall within the scope of the Competitive Dialogue regulations;
- The Authorities acknowledging that WIDP will be the final arbiters of whether the position reached on these points are acceptable; and
- The Authorities review the planning timeline and liaise with WIDP post appointment of the PB to consider whether the current timetable is appropriate.

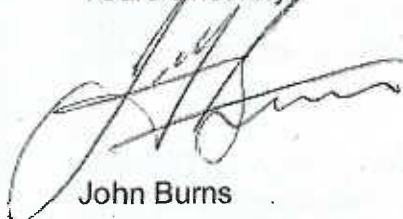


WIDP attaches great importance to good contract management. As such, your attention is drawn to the need to ensure adequate planning and preparation for the transitional period, especially the early development of the transition plan and contract management manual to ensure adequate knowledge transfer.

Please note the following:

- the ESA95 review, which assessed the project to be off budget for Defra, will be subject to a satisfactory budget assessment and sign-off by Defra Finance prior to financial close.
- I understand that the Authority is presently working towards financially closing the contract in March 2012. Please keep WIDP informed of any potential significant slippage in this date. Please refer to our guidance on the FBC process for advice on completing the FBC (and ensure that the final FBC is based on the published template): <http://www.defra.gov.uk/environment/economy/waste/widp/widp-guidance/>
- You should continue to seek prior approval if, between now and contract signature, different terms are negotiated which affect either the nature of the project or the potential amount of Waste Infrastructure Credits; or those terms differ from the relevant PFI standardisation documents. Any departure from these terms could result in the withdrawal of provisionally allocated Waste Infrastructure Credits, and risk delay to the project if HM-Treasury decides to have the proposed departures reviewed. Should we wish to support the revised project we would issue a further letter.

Yours sincerely,



John Burns
Programme Director
WIDP

CONTACT
DETAILS
REDACTED.

Cc:

- Name redacted
- Project Director
 - WIDP Project Transactor
 - i - Head of WIDP Commercial Team & Contracts
 - Programme Manager & Head of WIDP Scrutiny
 - WIDP Transactor Coordinator