

WEEE Compliance Fee Evaluation Form

Evaluator Name: Consensus comments

Bid Name: t2e

Evaluators should measure each proposal against the published evaluation criteria (repeated in the tables below) and award a score for each of the five broad areas that is in line with the following descriptors:

Descriptors

0 - Unacceptable - Nil or inadequate response. Fails to demonstrate an ability to meet the requirement

1 - Poor - Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled

2 - Acceptable - Response is relevant and acceptable. The response demonstrates a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas

3 - Good - Response is relevant and good. The response demonstrates a good understanding of the requirement and provides sufficient details on how the requirement will be fulfilled

4 - Excellent - Response is relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

The mark for each question will be multiplied by the relevant weighting and all weighted marks added together to give a final score. The maximum score available is 60 marks.

1 - Proposed methodology for the calculation and administration of the fee.

Weighting 5 = 20 marks available

Criteria	Evaluator comments
<p>Proposals should cover the following key areas. The methodology should:</p> <ul style="list-style-type: none"> • encourage compliance through collection and treatment of WEEE by PCSs via DCF collections, Regulation 43 or 52; • reflect the different market economics associated with collection, treatment and environmentally sound disposal of the 6 WEEE collection streams; • set out a methodology for calculation of a compliance fee across each WEEE collection stream and argument/evidence in support of that methodology; • be stream specific, i.e. a PCS short of their targets by 10 tonnes of Display and 15 tonnes of Cooling will pay a fee specific to their shortage in each stream rather than a generic fee for a shortage of 25 tonnes. Proposals may consider circumstances where a negligible or zero fee might be appropriate; • Indicate the extent to which the feasibility of the fee has been tested robustly; 	<p>Significant lack of detail on methodology for calculation of fee and this concern was reflected in the responses to the consultation. In particular, there is a lack of information on how to calculate the base fee following the reconciliation process. It states that the proposal is both complementary and additional to the proposal submitted by 5 PCSs. But it is not made clear in which areas it complements that proposal.</p> <p>The base fee appears to be not reflective of, and disconnected from, the true collection and treatment costs as it is based solely on the prices for evidence transfers between schemes. The methodology may encourage deliberate over collection in certain circumstances leading to shortages of available WEEE for others with consequential impacts on compliance costs. Proposed publication of price data would also lead to market distortion in which WEEE evidence was regarded as a tradeable commodity.</p> <p>The escalator is dependant on the number of WEEE streams that the PCS is short of the target; we perceive this to be a crude mechanism which is not reflective of the different economic costs of recycling WEEE streams and does not meet the requirement to be stream specific.</p> <p>There is no evidence of how the fee methodology has been</p>

- describe how the overhead costs of calculating, setting up and administering the compliance fee mechanism and disbursement of funds will be met. This should include contingencies for a situation of minimal up take or zero up take amongst PCSs;
- allow innovation;
- consider the impact of and comply with other relevant law, for example Competition Law;
- consider sound contingencies plans e.g. for failing schemes or new entrants;
- describe what information must be provided by PCSs, including evidence of auditing arrangements that ensures declarations of payments by PCSs (if needed) are robust, and how commercial confidentiality will be maintained;
- describe the mechanism by which PCSs can pay the fee, what information must be provided and commercial confidentiality will be maintained;
- describe the mechanism for ensuring the environment agencies receive necessary evidence that an appropriate compliance fee has been paid by PCSs. The agencies must be able to recognise, when accepting a Declaration of Compliance from a PCS, that it is comprised of WEEE evidence and payment of a compliance fee. Validation of payment of the compliance fee must not place significant additional burdens on the agencies;

tested

No evidence provided of space to innovate.

No evidence provided of clear auditing procedures for data supplied by PCSs.

No evidence provided of wider consultation in preparation of the proposal.

A mechanism is described which should enable the environment agencies to determine the amount of tonnes in each category for which a PCS has paid the fee.

<ul style="list-style-type: none"> • set out evidence of auditing arrangements that ensures declarations of payments by PCSs are robust; • explain the extent to which interested parties including producers, local authorities or other organisations have been consulted in developing the proposal. 	
Score (0 - 4)	1
Weighted score (x5)	5

2 - Proposed methodology for the dispersal of funds

Weighting 4 = 16 marks available

Criteria	Evaluator comments
<p>As a minimum, proposals should cover the following key areas. The methodology for the dispersal of funds should:</p> <ul style="list-style-type: none"> • provide evidence of the suitability of the proposed operator that will administer the Compliance Fee Process; 	<p>Serious concerns were raised over the fee being distributed to overcollectors as this would incentivise over-collection. Remaining funds, if there are any, would be given to DTS or anyone else as instructed. Response lacks detailed rationale for this method of dispersal. The methodology appears to support the concept of evidence trading rather than compliance though direct collection and treatment of WEEE. This is not the intent of</p>

<ul style="list-style-type: none"> • set out the governance arrangements for the receipt and disbursement of any compliance fees paid; • set out how disbursements of compliance fees will be validated with regards to their intended use; • ensure payments received establish a fund from which disbursements will be made and recover the costs of administering the compliance fee process. • show details of the mechanism for dispersal of funds collected and how validation will take place to show that the funds have contributed to higher levels of collection, recycling and re-use of WEEE. This must address the scenario of low up take and minimal levels of funds being collected; • recognise the critical role that local authorities (and their partner organisations) play in WEEE collections; • encourage increased volumes of separately collected WEEE and increased recycling in line with BATTRT requirements and legitimate re-use; 	<p>the policy.</p> <p>The proposed distribution of remaining funds via the DTS is acceptable to the extent that any such funds would be dispersed to local authorities (and their partner organisations).</p> <p>Those purchasing evidence from the reconciliation centre will have no knowledge of where the WEEE for which evidence has been generated has been treated nor the extent to which it was treated in line with BATRRT (other than it will have been received at an AATF).</p>
Score (0 – 4)	1
Weighted score (x4)	4

3 - Proposed timetable for implementation and operation

Weighting 3 = 12 marks available

Criteria	Evaluator comments
<p>As a minimum, proposals should cover the following key areas. The timetable should:</p> <ul style="list-style-type: none">• Provide a realistic and comprehensive plan for implementation and operation;• Show a clear process for staffing the proposals;• Show a clear process for developing and implementing the IT systems;• Demonstrate an understanding of project dependencies;• Have appropriate contingency plans in place.	<p>The timetable provided is unrealistic. It requires a fee to be paid to T2E before announcements on the compliance fee have been made.</p> <p>One day to validate data appears ambitious.</p> <p>A limited contingency plan has been provided.</p> <p>There is very little room for slippage in the timetable.</p>
Score (0 – 4)	1
Weighted score (x3)	3

4 – Experience of proposer and proposed operator

Weighting 2 = 8 marks available

Criteria	Evaluator comments
<p>As a minimum, proposals should cover the following key areas. Proposers and proposed operators should demonstrate:</p> <ul style="list-style-type: none">• A proven track record of financial probity combined with practical experience of working in a regulatory environment,• A clear strategy for identifying and effectively mitigating risks arising as a result of any conflicts of interest• Experience of setting up systems to allow data to be submitted and processed effectively• Experience of developing robust proposals for Government	<p>T2E demonstrate evidence of experience in the packaging regime</p> <p>Separate account to receive funds would be set up to ensure funds are independently accounted for.</p> <p>Lack of detailed strategy for addressing any potential conflicts of interest. Consultation respondents were also concerned that conflicts of interest were not addressed sufficiently.</p> <p>Lack of evidence for operator provided on developing any proposals for government.</p>
Score (0 – 4)	2
Weighted score (x2)	4

5 - IT systems

Weighting 1 = 4 marks available

Criteria	Evaluator comments
<p>As a minimum, proposals should cover the following key areas. Proposals should demonstrate:</p> <ul style="list-style-type: none">• Appropriate IT systems• Appropriate IT backup systems• Appropriate IT support	<p>The proposal states that the current PRN system will be converted for use in WEEE. The panel questioned how similar the PRN system is to the proposed WEEE compliance fee system.</p> <p>The proposal demonstrates an appropriate IT system.</p> <p>T2e has appropriate IT back-up in place.</p>
Score (0 – 4)	3
Weighted score (x1)	3

	Weighted score
Question 1	5
Question 2	4
Question 3	3

Question 4	4
Question 5	3
Total (out of 60)	19

