

TERMS OF REFERENCE

for Selection of Recycling Partner for the Material Recycling Facility (MRC) for Ganjam, Odisha

Implementation of “Rural & Urban Landscape Free of Dry & Plastic Waste”

1. Project Background

The consumption of plastic in India is increasing by a compounded annual growth rate (CAGR) of 10% every year. It is estimated that shortly by 2022, India’s production from virgin plastics would reach a figure of 20.0 million metric tons (MMT) while plastics consumption presently in 2020 is nearly 11.0 MMT. This prioritizes the importance of circular economy approaches usefulness. Reuse, Reduce, Refurbish, Repair, Recycling, and Recovery of the plastics waste (resource/product) in the overall economy of plastics.

HDFC Bank and Centre for Environment Education (CEE) partnered to setup “Material Recycling Centres” (MRCs) for recycling the plastic from dry waste and recycle it to a product for establishing a Sustainable Swachh Centre for achieving the goal of circular economy.

At MRCs, the shredded plastic waste washed with the help of washing line and dried off by dryer machine. The cleaned plastic flakes agglomerated in agglomeration machine for increasing the density of shredded plastic and then fed in to extrusion machine to make pallets. The pallets are further used in Inject blowing machine to make containers like mugs, buckets and cans etc.

The material recycling centre is managed by registered recyclers as Recycling Partner (RP) under PWM rules 2016. The registered recycler should ensure to follow the SWM Rules 2016 and take CTE (Consent to Establish) and CTO (Consent to Operate) for setting and operation of material recycling facility from State pollution control board (SPCB). The registered recycler should take requisite consent from state pollution control board (SPCB) for water & air pollution and install necessary scrubbers and plant for treatment of polluted water and air emissions coming from plastic.

The proposed project will focus in meeting the Circular Economy Approach:

- The Recycling partner will ensure closing the loop by recycling plastic waste and making products in a Circular Economy (CE) approach.
- The Recycling partner will result in reducing cost of transportation from MRFs to MRCs thus efficient use of material resources
- The Recycling Partner will purchase all materials from the informal sector in the city and near-by areas and MRF in the project at market prices.
- An integrated approach for making a difference in society by promoting Refuse, Reuse, Reduce, Repurpose, Refurbish and Recycle principles of CE.
- **Ensuring compliance with regulations to have efficient use of material resources.** The project focus is to have systems and processes in place to have inclusivity of the informal recyclers into the formal organised and structured sector. This will help better in the recycling industry and in line with the plastic waste management Rules, 2016-2018 and the Swachh Bharat Mission I and II in India.
- **Multi stakeholders approach as an integrated model to address better dry and plastic management with support from HDFC BANK and co-financing** (both in-cash and in-kind) from the state and central government funds, NGOs/Companies contributions as waste management agencies (WMAs), by establishing an Swachh Sustainable Business Models

(SSBMs) for improved plastic waste management, piloted and implemented in 10+ cities and 140 villages in a state by establishing – dry waste material recovery and recycling facilities as Swachh Centres (SCs), in line with the emerging MOEFCC GOI “National Resource Efficiency Policy” and the “National Materials Recycling Policy”.

2. Objective of the Assignment

The selected **Recycling Partner (RP)** is expected to:

1. The RP shall facilitate the implementation of project activities in the waste value chain and areas of plastic waste recycling in the assigned city.
2. The RP will be involved in day-to-day activities for setting up the management and operations for the Material Recycling Centre (MRC) in coordination with the Urban local body (ULB), SHGs/Agency/Implementation partner and the existing MRF Service Provider (SP).
3. The RP would also facilitate all regulatory and compliance mechanisms required for the effective functioning of MRC. The partner will be ensuring **recycling of plastic waste as required and establish a transparent verifiable system of waste flow along the waste value chain as per table provided below.**

A Minimum of Plastic Waste Recycling Targets for Year 1			
Year	A Minimum Collection Target- Per day	A Minimum No. of working days in a Year	Total Tonnage (MTs)
Year 1	1.5 MTs/day	1.5x300	450
Year 2	2.5 MTs/day	2.5x300	750
Year 3	3 MTs/Day	3x300	900
Year 4	3 MTs/Day	3x300	900
Total			3000

4. The Recycling partner will purchase required plastic waste at reasonable market rate from MRF, women SHGs, waste pickers, aggregators, bulk generators and other sources to meet the recycling targets. The Recycling partner will process all the plastics from MRF inside the MRC and convert it in to usable items through the inject moulding/blower machines.
5. The Recycling partner will have the cost sharing in machinery (Extruder, Washing line, Aglo) to the tune of Rs. 135-150 lacs; Below machineries to be installed at the MRC:

Sl. No.	Machine Name	Capacity	Dimensions (L X W X H)	Approx. cost (Rs lacs)
1.	Washing Line	350 – 400 Kg / Hr.		
2.	Dryer Machine, Effluent treatment Plant (ETP)	300 – 350 Kg/ Hr.		
3.	Agglomeration Machine	200 – 250 Kg/ Hr.		
4	Extruder for Granulation Machine	200 – 250 Kg/ Hr.		
5	Injection Moulding and Extrusion Tubing machine (bags, pots etc)			

6	Any Other e.g. Weighing Scales and machines, stackers, etc			
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6. In case for the purchase of machinery at the MRC; the sanction for the purchase will be undertaken by the RP after seeking all approvals on TYPE, brand and the value etc. from THE PROJECT.
7. The ownerships of all machineries installed at the MRC till the project is functioning will be of the Project.
8. The RP will give a letter of undertaking that the machines purchased are in working conditions on annual basis to the project.
9. The Electricity, water, land and shed will be provided to run the operations either by the ULB or the Project. The Electricity connection will be provided for a minimum load of 300 KW.
10. The RP will bear the cost of electricity & water expenses for the operations at the MRC.
11. The RP will also bear the cost for the workforce for the maintenance of the machine on monthly basis for the operations of MRC.
12. The RP will bear all expenses related to the compliances e.g. CTE & CTO and other similar related sanctions from Pollution control board/environment department, etc.
13. The RP will bear all the related expenditures for the transportation of the materials.
14. The RP will keep all the proper accounting and system for all the sale proceed of the materials.
15. The Recycling partner will take the timely, appropriate and necessary approvals & consents as required under the statutory requirements from the District Industries Centre, State Pollution Control Boards, state environment, urban departments etc. to run the Material Recycling Centre effectively and maintaining circularity.
16. The Recycling partner should install fire safety equipment's i.e., fire extinguishers, sand buckets etc. inside the MRC for eliminating fire accidents.
17. The Recycling partner will take insurance of shed, machines, machines operators and Safaii Mitras working inside the Material recycling centre.
18. The RP will provide Dress, safety jackets, goggles, helmets, gloves and safety shoes to the working inside the Material recycling centre.
19. The RP will undertake the desired IEC and training activities in the areas of operations.
20. The RP will create a good model by running the MRC for livelihood and betterment of the Safaii Mitras and create an awareness about the work that has been getting done inside the MRC.
21. The RP will maintain good relations with all stakeholders, including local and state authorities e.g., state pollution boards; urban local bodies, state environment departments etc. for sustainable implementation of activities using participatory and gender sensitive tools.
22. The RP will maintain good relationships with and have an exceptional track record with the waste collectors, related CBOs/NGOs, communities of practice in the community development, Behaviour Change Communications (BCC) and Information, Education and Communications (IEC) processes and systems;
23. The RP will ensure proper monitoring for each activity as per the budgets and meeting the desired deliverables at all levels and reporting back to the ULBs, CEE project units as per required systems.
24. The RP will maintain regular link with ULBs; anchors the program in the city and seeks support in the form of infrastructure (land, building, equipment's, fixed and movable assets) as well as ward allocation, policy support, etc. through ULBs or other sources as per the ULB contractual.
25. The RP with support from CEE provides capacity building, program monitoring, milestone management, fund management, and offering project support from time to time for best progress in the program.
26. The RP will display standard rate cards for all Purchasable and Saleable waste categories at the MRC. This would help waste pickers, citizens, scrap dealers to walk in and sell their waste. Also all Safety parameters to be placed and adhered too.
27. The RP to keep all the activities to be approved in a more systems approach. Keeping all financial systems in place. A format to be used for all expenditures and approval of proposals.

28. The RP will mobilize in-cash and in-kind resources from State Pollution Control Boards (SPCBs), Urban Local Bodies (ULBs), Self, other Donors and Communities of practice and others.
29. Any Other activity as desired to meet the objectives of the project to be undertaken as directed by the project.

3. Scope of Work:

The selected RP shall undertake tasks as listed against each component in the budget submitted. It is envisaged that the RP will ensure implementation of the activities as listed in the “objectives of the assignment”. Given the dynamic situation of Recycling; **new activities can be considered to be included in the contract but with mutually agreed terms and conditions.**

The RP will submit the technical details, brand, type etc. for the machinery to be put up in the project. This will be evaluated by the CEE HDFC Bank project team. On approval and due clearance of the details of the machinery by the project to be purchased by the RP.

The GST for the purchase of machineries is to be borne by the RP as input cost and claimed as a refund in their (RP) books of accounts. The Machinery purchased will be in the name of the RP but will be in the custody of the said project for 4 years.

Thereafter 4 years of the functioning of the project; if there is any discontinuation of the contract Between the project and the ULB singly or jointly; the RP can either agree with the ULB or with the project to continue the services on the mutually agreed revised terms and conditions.

In case NO Agreements are reached between the project, the ULB and the RP after the expiry of 4 years; in that case the property of the machinery installed in the project lies with the RP. The RP has the right to take the necessary decision.

In case of any dispute at any time within the project duration the decision in terms of the machinery purchased will be settled in terms of investment made by each of the parties.

The re-appropriations of the expenditure from one head/sub-head to another head/sub-head can only be done once agreed and approved by the Project.

Recycling Partner shall ensure to develop and implement a business model-based approach through the MRC and monitor the project in lines with the guidance provided by the project team. Clear and periodic agreements will be made with more recyclers, kadadiwallahas etc. to generate revenue streams for the plastic waste to be Recycled.

Recycling Partner shall develop creative ways of linking with schools, educational institutions, shops, hospitals, industry houses etc. (other stakeholders) in the given areas for collection of plastic and other dry waste for recycling).

List of activities as identified is listed below. For any additional activity, CEE and the partner will mutually agree on its timelines, costs etc.

4. Proposal:

The proposal should demonstrate how the proposed methodology meets or exceeds the TORs, while ensuring appropriateness of the approach to the local conditions and the rest of the project operating environment.

This methodology must be laid out in an implementation practical timetable and a quality assurance.

The proposal must define and state how the project will be able to deliver the requirements in the RFP. The strategy/methodology and also the monitoring mechanisms. Other innovative thinking will be welcomed.

The proposal must contain the required details and document as detailed in the eligibility & evaluation criteria to specific points.

The Proposal must be sent through email to purchase@ceeindia.org With the subject line clearly mentioning the city for which the proposal is being submitted.

Subject line: Proposal_Recycling Partner_City name

5. Eligibility & Evaluation Process:

Evaluation of proposals will be based on **Quality-based Fixed Budget Selection methodology** - that means all proposals have the same overall price (as defined in the document and cannot exceed the given fixed budget amount), such that evaluation will be focused on the selection of the **best quality proposal, experience in management and operations for plastics project with MC in particular will be given preference.**

Amongst technically responsive and qualified organisations, top scoring one organisation will be selected for award of the contract to work as Recycling Partner in the city.

Sl. No.	Evaluation Criteria	Maximum Points
1	Experience in decentralised Plastic Waste Recycling management and operations at least 2 years.	20
2	Average three years turnover should be more than Rs 4 Crores.	10
3	Undertaking letter (on a Rs. 150 Stamp paper) to invest more than Rs. 200 lacs in the machinery and its management and operations overall as given in the proposal. (Details to be given on stamp paper).	10
4	Proposed strategy, approach to manage the operation of the Material Recycling Centre (MRC). This will be either through the women SHGs/the agency/implementation partner to be clearly stated. Also give the sustainability and financial plan.	20
Total		60
6	Presentation on Overall approach & strategy; team & experience; Solutions based approaches to managing operations in Plastic recycling with the Circularity approach.	40
Grand Total		100

6. Duration of Assignment, Deliverables, Payment terms

1. The contract duration will be up to a maximum of four years depending upon availability of budget and satisfactory performance of the selected RP.
2. The contract although will be for 4 years but will be annually reviewed by the project and as found suitable meeting the performance criteria's will be renewed for extension annually.
3. In case the targets of the plastic waste recycling are less than 90% the operational benefits provided in the budget by the project to the RP will be reduced on pro-rata basis.
4. Once a contract is awarded to the selected RP at city level, first payment will be based on submission of detailed work plan (including list of activities and estimated costs) by RP and acceptance of the same by CEE.
5. Subsequent payments will be based upon the financial break-up submitted and agreed by CEE during the implementation time as per the payment terms.

6. The selected RP will be required to **submit Audited Utilization Certificate from a Chartered Accountant to CEE before release of second and subsequent payments.** (Formats will be provided).

7. **Payment Terms:**

Cost Breakdown instalment wise:

#	Deliverable	Payment of the contract amount in INR
1	Detailed work plan with estimated costs for activities envisaged in first four months from signing of the contract.	10
2	Second payments on machinery will be disbursed only when the RP has invested a minimum of Rs 125-135 lacs with proper supporting bills, payment voucher and CA Certificate for the investment. The Project will release the balance Rs 65 lacs as the machinery purchase orders.#	65
3.	Submission of audited Utilization Certificate from a Chartered Accountant for previous four months expenditure and detailed work plan with for activities in the next eight months of implementation for the 1 st year.	10.00
4.	Submission of audited Utilization Certificate from a Chartered Accountant for previous expenditure and detailed work plan with estimated cost for activities for Year 2 of implementation.	6.26
Total		91.26

List of Activities and budget:

Sl. No.	Activity	Details of Activities with minimum quantifiable deliverables	Description	Unit Price (INR) (a)	Number of units (b)	Total Price (INR) a x b
1	Machinery support to be installed at the MRC (washing lines, Extruder & other equipment)*					65,00,000
2	Insurance of Plant, Machinery and working staff: Insurance for fire, cyclones; and any other factors to supported un-interrupted works at the SK. Insurance for stock in Goods and people working at the centre per year.	Insurance of Plant, Machinery and working staff: Insurance for fire, cyclones; and any other factors to supported un-interrupted works at the MRC. Insurance for stock in Goods and people working at the centre per year.	To be complied	50,000	1	50,000
3	MRC operation: Related expenses for electricity, toilet, drinking water. Setting up office furniture etc. including adhoc expenses.	<p>Minimum achievement of</p> <ul style="list-style-type: none"> • 100% adherence to Project SOPs on operations and maintenance, Proof of internal audits (monthly and quarterly) • Ensuring cleanliness, hygiene, etc. without complaints and submission of photos in monthly report • Adequate signage's of safety, process advisory, project information and emergency response, and other relevant posters on site • Centre name board as per CEE-HDFC Bank branding guidelines • Availability of visitor registers; asset register, staff meeting register • Registration of Centre Under DIC, Pollution control Board CTE & CTO. Application to be made within 3 months of starting operations • Water Cooler, Changing Room, Ladies & gents toilet and Rest Room availability for Safaii Mitras within 2 months of operation initiation • On time Machine repair and part replacement for smooth operation. • Processing of 45-50 tons per month of dry including plastic waste with full traceability and paper trail coming from MRF and other linkages. 	Per month cost @20,000 per city.	20,000	12	2,40,000

Sl. No.	Activity	Details of Activities with minimum quantifiable deliverables	Description	Unit Price (INR) (a)	Number of units (b)	Total Price (INR) a x b
4	Safety & Protection: Purchase of dress, gloves, masks, bins to be sourced. Also on emergency preparedness, fire safety, Covid19 compliances, etc. Also, efforts to raise funds from other donors/ULBs.	Minimum achievement of <ul style="list-style-type: none"> • Purchase of gloves, masks, boots, safety gears and protection gears for at least 50 Safaii Mitras • Connecting at least 2 external support through co-finance for safaii Mitras inclusion activities • Fire safety equipment's, • Conducting of fire safety drills (one per quarter) 	50 pieces @ Rs. 500 per Safaii Mitras.	50	500	25,000
5	Monthly review meetings with the project Team- Virtual/Physical. Review of the MRF facility (once constructed).	Proper maintenance of Minutes of meeting with follow-up and review every month.	Per month cost of Rs. 5,000/-	5,000	12	60,000
6	Fire safety compliances and Fire Safety trainings with local fire department each quarter	Minimum achievement of <ul style="list-style-type: none"> • 6 nos. sand buckets 9 kg each • 3 nos., 4.5 Kg each CO 2 type fire extinguishers • 3 nos., 9 Kg ABC type fire extinguishers • 2000 Litres fresh water tank with tap • Minimum 2 fire trainings 				1,50,000
7	CTE & CTO compliances	Minimum achievement of <ul style="list-style-type: none"> • Consent to establish and Consent to operate to be taken from SPCB • Installation and commissioning of the ETP & Wet air scrubber as per the guidelines of SPCB for adherence of rules for Air & Water pollution 				
8	MRC in charge, linkage with other recyclers, Scrap dealers, etc.		Per month cost @30,000 per city.	25,000	12	3,00,000
9	Monitoring & Reporting Associate	Minimum achievement of <ul style="list-style-type: none"> • Transparent process followed for on boarding of employees • Proper Appointment letter issued 	Per month cost per person @20,000	15,000	12	1,80,000
10	Account Associate	<ul style="list-style-type: none"> • Salary to be given on time and in the bank account • Attendance registers and log books of machines properly maintained 	Per month cost per person @20,000	15,000	12	1,80,000
11	Machine operators (5 no.)	<ul style="list-style-type: none"> • At least 15 recyclers and scrap dealers on boarded 	Per month cost @10,000 per person	10,000	60	6,00,000

Sl. No.	Activity	Details of Activities with minimum quantifiable deliverables	Description	Unit Price (INR) (a)	Number of units (b)	Total Price (INR) a x b
12	Local Travel costs (coordination with stakeholders)	Proper Log book to be maintained with the purpose of Travel.	Per month cost @9,000.	9,000	12	1,08,000
13	Computer, Printer and other capital equipment purchase at MRC & Partners	Purchase bills to be kept	One time cost	1,25,000	1	1,25,000
14	Administrative expenditure	All aspects of coordination and proper HR and Safai Mitra's management	Per month cost @9,000.	9,000	12	1,08,000
Total						86,26,000

* Request by the SP/Recycler to be taken from the project for the type, brand, etc. machinery to be purchased by the SP/Recycler.