



Request for Proposal Background and Response High-Density Polyethylene (HDPE)

Background – Container Exchange and the Queensland Container Refund Scheme

Almost three billion beverage containers are manufactured and sold in Queensland each year. These containers are the second most littered item in the State even though they can be easily recycled. In September 2017, the Queensland Government passed the Waste Reduction and Recycling Amendment Bill with bipartisan support, which allowed the establishment of a Product Responsibility Organisation (PRO) to administer the Container Refund Scheme (CRS) to reduce container waste and littering.

Container Exchange (QLD) Limited (COEX) was established as a not-for-profit organisation and appointed as the PRO for the CRS in November 2017. Operation of the CRS began on 1 November 2018 and now includes over 300 container refund points (CRPs) collecting approved beverage containers. Once collected, COEX oversees the movement of these materials through to the point of being sold to approved recyclers via an online auction platform or direct sale agreements.

COEX is seeking to better understand how Australian organisations, or organisations with an interest in operating in Australia, can play a role to maximise the benefits from recycling in a local circular economy by leveraging the Queensland CRS.

HDPE Solution

In FY21, COEX expects to collect approximately 900 tonnes of CRS HDPE throughout Queensland. COEX is seeking to enter into long term direct sales agreement/s to supply recovered HDPE to buyer/s that will contribute to the local and regional circular economies.

As further background for respondents, a summary of COEX's forecast HDPE container collections by region between FY21-FY23 is represented in Table 1 (expressed as tonnes (t) per year (p.a.)).

We anticipate the material will be available for collection from all regional processors throughout Queensland participating in the CRS, but this is subject to change.



Table 1: Forecast CRS HDPE Collection volumes (Weight, Tonnes), FY21 – FY23

CRP Region	FY21	FY22	FY23	Total
Greater Brisbane	356t	416t	440t	1,212t
Gold Coast	88t	103t	109t	299t
Sunshine Coast	52t	61t	64t	177t
South East	9t	11t	11t	31t
Darling Downs	61t	71t	75t	208t
South West	11t	12t	13t	36t
Wide Bay	73t	85t	90t	248t
Fitzroy	64t	74t	79t	216t
Mackay	33t	39t	41t	114t
Central Queensland	3t	4t	4t	10t
Townsville	60t	70t	74t	204t
Cairns	51t	60t	64t	175t
North Queensland	6t	7t	7t	19t
Far North Queensland	8t	9t	9t	26t
Total	874t	1,021t	1,081t	2,976t

These volumes are based on the collection of containers through the CRP network, and may change in future.

For further details on eligible containers and the Queensland CRS, please visit:

1. <https://www.containersforchange.com.au/qld/how-it-works>
2. <https://environment.des.qld.gov.au/waste/pdf/qld-container-refund-scheme-eligible-beverage-containers.pdf>



Appendix 2: Container Exchange (QLD) Limited (COEX)

Preface

The following terms and conditions have been formulated to support COEX’s strategic objectives, as well as assist COEX to assess responses in a manner that is as robust and transparent as possible.

For a summary of COEX’s strategic objectives, please visit: <https://containerexchange.com.au/wp-content/uploads/2020/07/COEX-FY21-SOAP1.pdf>

For clarification on any of the items or requirements listed below, please contact David Down (david.down@containerexchange.com.au).

Key Terms & Conditions – HDPE Solution

No.	Item	Key principle	Response
1.	Parties	<i>Party (or parties) to the agreement(s). including proposed corporate structure</i>	▪
2.	Transaction Summary	<i>Proposed contractual model, instruments, broad deal structure etc</i>	▪
3.	Commencement Date	<i>Effective date noting lead time requirements</i>	▪
4.	Term	<i>Proposed contract term including options or other considerations</i>	▪



5.	Minimum Volume Commitment	<i>Volume requirements, including minimum tonnage, ramp-up expectations, volume flexibility, consideration of volumes in excess of the minimum level</i>	▪
6.	Pricing	<i>Fixed, variable, combination, proposed mechanisms, review structure, links to indices etc</i>	▪
7.	Delivery & site arrangements	<i>Delivery profile and flexibility, specific site considerations, other logistics considerations, mechanism to agree delivered weights etc</i>	▪
8.	Quality and contamination	<i>Expectations, tolerances, process for managing contamination etc</i>	▪
9.	Other operational terms	<i>Other operational considerations not otherwise captured above</i>	▪



10.	Recycling & recovery obligations	<i>Process over recycling material, expected effectivity, waste management etc</i>	▪
11.	Audit & reporting requirements	<i>Reporting and audit requirements will be a key facet for COEX in order to meet statutory and other requirements</i>	▪
12.	Conditions Precedent / Subsequent	<i>If applicable</i>	▪
13.	Exclusivity	<i>If applicable</i>	▪
14.	COEX's opportunity for involvement	<i>How will COEX participate, where are the opportunities to value-add, other considerations etc</i>	▪
15.	Additional terms	<i>Any additional terms not otherwise explicitly included (COEX notes the inclusion of 'boilerplate' clauses will occur in due course) or</i>	▪



		<i>of particular importance</i>	
16.	Confidentiality	<i>The terms of this document, associated documents and discussion are confidential. The parties may not disclose such confidential information except to their financial and legal advisors, and in the case of COEX, to the minister or other government agencies as required (including where required by law)</i>	▪
17.	Costs	<i>Each party are to bear their own costs</i>	▪
18.	Termination	<i>Specific termination provision (if any)</i> <i>*Note: this process can be terminated at any stage by written notice between the parties</i>	▪
19.	Other	<i>Any other key term, matter or consideration not already considered including, review mechanisms, specifications, origin of materials, dispute mechanisms etc</i>	▪



Appendix 3: Anticipated Timeframes

December 2020	
3 December	COEX issues RFP to industry participants and posts RFP on COEX website

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January 2021	
8 January	Cut-off date for clarification questions from RFP participants
22 January	Cut-off date to request an extension for response submission
29 January	Closure of RFP submission period
29 January	COEX comparatively assesses responses using defined evaluation criteria
12 February	Prioritised respondents notified upon completion of comparative assessment
12 February	Ongoing discussions with prioritised respondents
TBC	COEX advises successful respondent(s) of next steps

Auction portal and existing Recycler Panel Agreements to continue to operate as usual



Appendix 4: Summary of Evaluation Criteria

