



# Deliverable D6.2

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Framework for contracts between  
municipalities and  
transport/process UCO companies

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## 1. Introduction

The objective of task 6.2 is to support the implementation of the pilot projects through the creation of a framework for contracts to be established between country project partner and municipalities as well as between municipalities and companies that collect and transport UCO, with the aim of being easily transferrable to each target country.

This document should facilitate the statement of an agreement between the partners involved in a household UCO collection project, designing the boundaries of the respective roles.

An international survey have been led in order to collect some examples of contracts: this is the base to develop a general one. The collected information have been combined to get the following outputs:

- A frame for contracts between country project partner and municipalities or other actors
- A frame for contracts between municipalities and the companies that collect/process UCO

Afterwards, a framework contract will be produced for each target country.

## 2. Definitions

**Object:** Contract protocol

**Project:** Management of the selective collection of UCO generated by households in the area of competence

**Service provider:** Company in charge of the selective collection of UCO generated by households in the area of competence and further treatment, selected through a call for tender based on defined selection criteria (O6.3.1 Methodology to select companies that will transport and process the UCO into biodiesel)

## 3. Preliminary considerations

There may be many kinds of contracts establishing the relationship between the service provider and a partially or totally public body such as a waste treatment company, a municipality, a local environmental agency, a province, a region, etc. In some cases the public transport company can be involved in a household UCO collection project through a contract with the service provider, establishing the mandatory amount of biodiesel they must buy to run their fleet. Sometimes the contracts are established among more than two parties.

This very wide variety of subjects involved in the contracts, would require a huge amount of examples to be evaluated, several for each type of project, in order to create a reliable general frame for contracts.

Unfortunately, this kind of documents is not always easily available to the public and we met some obstacles in trying to collect many examples of contracts. In fact the contracts usually involves private companies, whose willingness to share legal details is very low.

We identified a clear need of transparency: the legal framework of household UCO collection projects, should be clearer to citizens, so they can be more involved in the project and they can feel safer too.

Considering these problems, the result of this task, is a starting point for the development of a more general European frame for contracts, but it can be useful for the newcomers in the field and it can be a base for further developments.

#### **4. Main variables**

The project implementation and running can be financed and co-financed by:

- the citizens (directly through a percentage of the waste taxation or indirectly through other schemes of public contribution)
- the service provider, which can benefit from the recycled UCO business
- other stakeholders.

Depending on the source of funding of the project and the statement of responsibilities, the project details can be designed by:

- the municipality or other public authority
- the waste treatment company
- the country project partner
- the service provider.

Depending on the source of funding of the project and the statement of responsibilities, the collection equipments can be owned by:

- the municipality
- the waste treatment company
- the service provider
- other stakeholders.

#### **5. General description of a contract between the service provider and the local municipality**

A call for tender issued by the municipality identifies the optimal candidate to run the household UCO collection project (O6.3.1 Methodology to select companies that will transport and process the UCO into biodiesel). The winning candidate commits to lead the project according to the designed details, specified in a technical working plan annexed to the contract,

which can be periodically reviewed. The following details have to be included in a technical working plan annexed to the contract:

- the project area
- the collection system details (number, type, capacity and location of the collection containers)
- the frequency of cleaning and emptying the collection containers
- the convenient equipment and technology (trucks, storage vessels, treatment plant, procedures)
- the designed personnel (number, roles, contacts).

The agreement between the local municipality and the service provider usually allows the service provider to use some specific containers for household UCO collection, which have to be periodically emptied and cleaned up. In some cases the service provider has to run the households UCO collection system through the municipal collection points or amenity sites previously identified by the municipality. The municipalities organizing a door-to-door collection of household wastes, have to include the UCO collection in this system.

Quantitative and qualitative targets have to be stated according to both partners. A periodic analysis of the project results, technology state of the art and legal framework has to be accomplished by the project leader.

The financial resources have to be exploited as better as possible to implement the collection system and the further steps, to lead the advertisement campaign or other initiatives aimed at increasing the project participation and efficiency according to the project targets. A periodic analysis of the project results in parallel with an analysis of the budget allocation has to be performed. This is a way to identify the success factors and the barriers of the project. A control role has to be played by a third actor.

The municipality is required to give an active contribution to increase the public awareness, leading a promotion campaign. The service provider is required to provide information about the optimal use and disposal of cooking oil. Citizens have to be informed about optimal use and disposal of cooking oil and grease. The information provided have to motivate citizens to actively participate to UCO collection.

In this regard, an organic plan of the dissemination and information activities has to be reported. This plan has to be presented in due time for approval of the project leader and periodically reviewed. This document can be annexed to the contract.

The service provider declares its availability to provide reliable data concerning the project (amount of UCO collected, recycled UCO destination).

Safety guaranties have to be provided.

## 6. General description of a contract between the country project partner and the local municipality

We consider now the case where, according to the whole national legal framework concerning UCO as a municipal waste (CER “20 01 25 Oils and fats”), the country project partner submits a contract with the local municipality, in order to state the sharing of responsibilities related to the project running.

This collaboration is finalized to develop and run an efficient “households UCO – biodiesel” chain.

In order to accomplish this target, the two contractors could set their collaboration conditions and terms according to the template of a contract here below.

<b>OBLIGATIONS</b>	<b>COUNTRY PROJECT PARTNER</b>	<b>MUNICIPALITY</b>
<b>Set up of collection system:</b>	Keeping contacts with private organizations in order to identify optimal locations for collection points (e.g. supermarkets), in accordance with national regulatory framework.	Keeping contacts with local public stakeholders in order to identify optimal locations for collection points (e.g. schools, civic amenity sites), in accordance with national regulatory framework. The municipalities organizing a door-to-door collection of household wastes have to include UCO collection in this system.
<b>Definition of target area for promotion campaign:</b>	Identification of the target area for the project implementation and the promotion campaign.	
<b>Selection of service provider:</b>	According to the matrix of selection criteria (O6.3.1 Methodology to select companies that will transport and process the UCO into biodiesel)	
<b>Connection role:</b>	Linking the service provider to the municipality.	Linking the service provider to the waste collection company.
	Larger scale projects are appreciable, so the country project partner has to make some efforts to interact with the neighbor municipalities to enlarge the project area and to involve as many stakeholders as possible (waste management company, waste water management company, environmental protection agency, public health agency, etc.). The relationships	

	between different partners involved in a same project have to be stated as much clearly as possible.	
<b>Guarantee of transparency:</b>	Making the project results (amount of UCO collected, recycled UCO destination, amount of biodiesel produced) available to the public and to the local environmental protection agency with maximum transparency.	
<b>Dissemination:</b>	Developing contents for information campaigns. Dissemination material has to be produced and diffused through the available information channels (internet, tv, radio, magazines, etc). The project has to be promoted in occasion of important events to reach the highest visibility.	Collaboration in the dissemination tasks.
<b>Periodic project review:</b>	Annual meeting involving the country project partner, the municipality and the operator will be organized in order to analyze and review the households UCO collection system. A detailed presentation of the project results, achievements, barriers, proposals of correction and improvement is required. Every relevant issue has to be taken into account, in order to update the short/long term plans of the project and optimize the project results.	Active participations in periodic project review meetings.
<b>Biodiesel production:</b>	Identification of an appropriate biodiesel producer which is able to transform the UCO collected by the selected operator.	Interaction with the local waste treatment company, the local transport company, or other local final users in order to establish agreements with the biodiesel producers to re-utilise the biodiesel produced at local level.
<b>Control role:</b>	Annual checking of the service operator efficiency, verifying data provided by the service operator, evaluation of its performance.	
	Methodology of biodiesel analysis (samples choice).	
<b>Seeking for project funds:</b>	Country project partner commits to raise funds for financing of promotion campaign. Funds could be provided by national or European support programs, or by relevant stakeholders (waste management company, waste water management company,	

	environmental protection agency, public health agency, etc.).	
<b>Urgent situations:</b>	Security plans in case of emergency have to be stated.	
<b>Rescission of the contract:</b>	Statement of the right to quit this contract (e.g. in case of non-compliance with the stated obligation of any parts). The rescission request has to be presented in due time advance and appropriate form.	
<b>Validity:</b>	Validity period, protocol renew.	
<b>Revision:</b>	Revision permission.	
<b>Omissions:</b>	The omission cases shall be resolved by agreements between grantors.	