

**Schedule 5A**

**Specification**

## **SERVICE SPECIFICATION**

### **A Mandatory Requirements**

- A.1 The Supplier must comply with the Data Protection Act 1998 and any subsequent Act or Data Protection Law which may replace it.
- A.2 The Supplier must comply with Health and Safety Law.
- A.3 The Supplier must comply with Environmental Law.
- A.4 The Supplier must have ISO 14001 accreditation at the time of contract award.
- A.5 Destruction must be provided in line with BSEN 15713:2009.
- A.6 Destruction & Disposal of paper products must be to a shred size, no greater than 16mm strips.
- A.7 No waste must go to landfill. Target disposal route for 100% waste products must be recycling in the first instance or reuse if this is not possible.
- A.8 Collection of waste materials must take place between 08:00 – 16:30 Monday to Friday (UK public holidays are excluded). It should be noted that the vehicles used to collect the waste materials should arrive at Benton Warehouse, Newcastle upon Tyne no later than 12pm (noon) Monday to Friday to allow sufficient time to load the vehicle for departure on the same working day.
- A.9 The Supplier will support the Authority and Central Government's aspirational targets of securing up to 3% of its workforce as apprenticeships and up to 33% of the supply chain as SME's (Small/Medium Enterprises).

### **B Scope of Works**

- B.1 Core Activities involve the secure collection, destruction and disposal of confidential waste paper, media and plastics from the Authority's Benton Warehouse facility in Newcastle upon Tyne on a monthly basis in line with the agreed Collection Schedule (material specification is included in Annex 1).
  - a) The Supplier is required to securely collect, destroy & dispose mixed paper bundled with elastic bands including prescriptions forms/dispensing tokens and the like stored in plastic trays from Benton Warehouse, Newcastle upon Tyne off site
  - b) The Supplier is required to provide 15 – 20 empty 500 closable receptacles per month.
  - c) The Supplier is required to collect the waste both palletised and in receptacles within the first two weeks of each calendar month.

- d) Empty plastic trays and closable receptacles to be returned to Benton warehouse on 3<sup>rd</sup> working day following collection (trays to be wrapped to pallets to protect in transit).

B.2 Additional Activities involve the secure collection, destruction and disposal of confidential waste paper from other areas of the Authority's UK estate in line with the agreed Collection Schedule (material specification is included in Annex 1 and facility addresses are included in Annex 2).

- a) The Supplier is required to securely collect, destroy & dispose mixed paper
- b) The Supplier may be required to securely collect, destroy and dispose of confidential waste from the Authority's UK estate.
- c) Waste is likely to be held in cardboard archive boxes or similar, the volume of which is unknown at present.
- d) Collection, destruction and disposal of the waste is to be consistent with the standards for the requirements of the Core Activities.
- e) The additional activities will be managed via the Change process in the contract.

## **C Contract Management and Monitoring**

C.1 The contract will be managed by the Authority Representative (or other nominated person as may be notified to the Supplier).

C.2 The Authority and Supplier will be required to:

- a) Manage the contract through on-going dialogue and oversight of the named resource by the parties.
- b) Manage and monitor progress towards the provision of deliverables to the required standards

## **D Management Information and Governance**

D.1 The Supplier must provide Waste Management Information (MI) on a monthly basis and must include as a minimum the items as per the (non exhaustive) list below.

- a) Number of pallets to be collected in the reporting period as per the Collection Schedule.
- b) Number of pallets collected in the reporting period.
- c) Date of each collection and time vehicle arrived at site & left site.
- d) Date that each collection arrives at Suppliers disposal site.
- e) Time taken to destroy each collection from arrival at Suppliers disposal site to destruction.
- f) Number of pallets and trays returned in each reporting period.
- g) Date that pallets and trays are returned in each reporting period.

- h) Number of instances where shredding size exceeds 16mm strips.
  - i) Number of certificates of destruction required in reporting period.
  - j) Number of certificates of destruction and date provided within reporting period.
  - k) Number of 500l receptacles containing paper to be collected in the reporting period as per the Collection Schedule.
  - l) Number of 500l receptacles containing media and plastic to be collected in the reporting period as per the Collection Schedule.
  - m) Number of 500l receptacles collected in the reporting period.
  - n) Number of empty 500l receptacles which are returned in each reporting period and date that they are returned.
  - o) The volume (by weight) of waste material destroyed.
  - p) The category of waste material.
  - q) Disposal route – waste stream (i.e. recycling to paper mill)
- D.2 The Authority must have the right of audit/inspection of the waste management processes and procedures and the Supplier's compliance with their plans.
- D.3 The Supplier must provide a Certificate of Destruction for all waste – prescriptions forms waste must include information relating to pallet numbers/weights destroyed by pallet or total load per month. The 500l receptacles will be numbered/individually identified so this can be tracked on the Certificate of Destruction for these elements.
- E Supplier Obligations (In Response to Authority Obligations included in Schedule 8)**
- E.1 Supplier to accept that the Authority will endeavour to reduce as much paper waste contamination such as staples, paper clips, clips treasury tags, etc. as possible however cannot guarantee that paper waste will be free from such contamination.
- E.2 Supplier to accept responsibility for security of all confidential information and compliance with the Data Protection Act 1998 and any subsequent replacement from the point at which the information leaves the Authority's facility.
- E.3 Supplier to accept flow down of liability for fines levied on the Authority by the Information Commissioners Office for any breach by the Supplier of the Data Protection Act 1998 or its replacement legislation.
- E.4 Supplier to maintain a full audit trail of which staff/machine complete the destruction.
- E.5 Supplier to comply with all obligations within contract schedules and terms and conditions.
- E.6 Supplier to report any breach of security to the Authority within 24 hours.

## Annex 1

### WASTE MATERIALS SPECIFICATION

#### Core Activities

The paper products are predominantly, but not exclusively made up of mixed prescription forms FP10SS and FP10DT forms. The paper specification of the types of paper prescription products is as follows:

Product Code	Description	Size	Colour	Material
FP10(D), (DT), (HNC), (NC), (CDNC), (PCDSS), (PN), (PREC), (SP), (SS)	As list below	178mm deep x 108mm wide	Blue overprint, (Insert Colour of body from list below), yellow and blue invisible uv. Visible inks to be minimum light fastness of BSW4	70gsm white non sensitised uv dull security paper, lignin free and meets a minimum light fastness of BWS4. 100% fully bleached chemical wood pulp,
FP10 (HDMA-S), (MDA-S), (MDA-SP), (MDA-SS)	As list below	178mm deep x 210mm wide	Blue overprint, (Insert Colour of body from list below), yellow and blue invisible uv. Visible inks to be minimum light fastness of BSW4	70gsm white non sensitised uv dull security paper, lignin free and meets a minimum light fastness of BWS4. 100% fully bleached chemical wood pulp,

Products	Colour & Description
FP10D	Colour & Description
FP10DT	EPS Release 2 Dispensing Token
FP10HMDA-S	Personalised blue controlled drug instalment form for use by hospital prescribers
FP10HNC	Personalised green hospital prescriber form
FP10MDA-S	Personalised blue controlled drug instalment form for use by GP's
FP10MDA-SP	Personalised blue controlled drug instalment form for use by Supplementary/Additional Prescribers inc suitably qualified nurse prescribers
FP10MDA-SS	Non-personalised blue controlled drug instalment form for use by all prescribers
FP10NC	Personalised green GP form
FP10PCDNC	Personalised pink private controlled drug form for use by all private prescribers when prescribing schedule 1, 2, or 3 controlled drugs
FP10PCDSS	Non personalised pink private controlled drug form for use by all private prescribers when prescribing schedule 1, 2 or 3 controlled drugs
FP10PN	Personalised lilac form for use by practice employed 'Community Practitioner Nurse Prescribers' and 'Nurse Independent/Supplementary Prescribers'
FP10PREC	Personalised lilac form only for use by Out of Hours Centres for their non FP10 supply
FP10SP	Personalised lilac form for use by Supplementary/Additional Prescribers excluding nurses
FP10SS	Non -personalised green forms for use by all prescribers

The paper products will be stored in bundles secured with elastic bands, within plastic trays on pallets. The pallets will be wrapped to secure them to the pallets and it is anticipated the Supplier will use an equal and approved alternative method to secure the empty trays to the pallets when returning them to Benton Warehouse, Newcastle upon Tyne.

The confidential media will comprise compact disks, videos, cassettes and the like.

The plastic cards will comprise waste Medical Exemption, Tax Credit and European Health Insurance Cards of with varying colours, plastics, laminates and security features.

#### Additional Activities

Mixed confidential waste paper collated in cardboard boxes of varying size

Whilst every effort will be made to ensure that the waste is free from contaminants this cannot be guaranteed.

#### Approximate volumes of goods to be collected, destroyed and disposed

- 180 pallets (50-60T)/month of mixed paper including prescription forms
- 15 – 20 tubs per month of mixed confidential paper
- 2 receptacles per year of confidential media
- 2 receptacles per year of confidential plastic cards

These are indicative volumes only and there is no guarantee of future volumes

## Annex 2

The table below comprises the addresses and contact details for each of the Authority's current facilities, (this may change throughout the duration of the contract).

<b>Newcastle Bridge House</b>	<b>Newcastle Stella House</b>
Bridge House	Stella House
152 Pilgrim Street	Goldcrest Way
Newcastle Upon Tyne	Newcastle Upon Tyne
NE1 6SN	NE15 8NY
<b>Newcastle Benton Warehouse</b>	<b>Newcastle Citygate</b>
[REDACTED]	First Floor
[REDACTED]	Citygate
[REDACTED]	Gallowgate
Newcastle Upon Tyne	Newcastle Upon Tyne
[REDACTED]	NE1 4WH
<b>Middlebrook Office</b>	<b>Middlebrook Warehouse</b>
Ridgway House	[REDACTED]
Northgate Close	Middlebrook
Middlebrook	Horwich
Horwich	Bolton
Bolton, BL6 6PQ	[REDACTED]
<b>Wakefield Office</b>	<b>Wakefield Warehouse</b>
4th and 5th Floors	NHSBSA Warehouse
Wakefield House	[REDACTED]
Borough Road	Wakefield
Wakefield	West Yorkshire
WF1 3AZ	[REDACTED]
<b>Fleetwood</b>	<b>Coventry</b>
Hesketh House	Cheylesmore House North
200 - 220 Broadway	5 Quinton Road
Fleetwood	Coventry
Lancashire, FY7 8LG	CV1 2WT
<b>London Road</b>	<b>Eastbourne</b>
4th Floor	1 St Anne's Road
Skipton House	Eastbourne
London Road	East Sussex
London, SE1 6LH	BN21 3UN
<b>Mansfield</b>	
200 Lichfield Lane	
Mansfield	
Nottinghamshire	
NG18 4RG	

## Schedule 5B

### Supplier Solution

#### **A Mandatory Requirements**

A.1 The Supplier will comply with the Data Protection Act and any subsequent replacement of the Act.

The Supplier's sites at Team Valley Gateshead and Durham (Shotton Colliery) are secured with:

- a remotely monitored alarm system conforming to EN50131 – 1
- CCTV monitoring of all unloading, processing and storage areas (images retained for a minimum of 31 days)
- All site visits are restricted and supervised by Supplier staff.
- All Supplier's staff who carry out shredding operations have been screened to BS7858:2012
- The Supplier is a member of the United Kingdom Security Shredding Association (UKSSA) and is subject to biennial auditing to ensure compliance with the UKSSA standards by an independent body. All shredding operatives are involved in the process and are updated of any changes to Data Protection legislation and standards during this period. Before commencement, all operatives will be informed of the requirements of this contract to ensure full compliance throughout the process.

A.2 The Supplier's OHSAS18001 (Occupational Health & Safety Management System) dictates compliance with all current statutory requirements in relation to Health & Safety law as it relates to the company's operations. The Company's has a Health & Safety Policy in compliance with the Health & Safety at Work Act. All employees have an induction upon commencement of employment with the Supplier. This will include supervision, Health and Safety training and hazard awareness in line with the company's policy. The policy is reviewed annually and updated when required and the Supplier carries out tool box talks as a form of refresher training during the year.

A.3 The Supplier will comply with Environmental Law appropriate to the Services.

A.4 The Supplier's ISO14001 accreditation and associated Management System dictates compliance with those environmental Acts and Statutory Instruments held on the Systems Legal Register – a comprehensive summary of legislation relevant to the company's operations.

A.5 The Supplier will comply with BSEN15713:2009 and the organisations ISO9001 Quality Management System and will ensure that the shredding process is completed within 24 hours of receipt of the confidential material at its facility.

The Supplier will carry out the works with direct employees and off-load materials for destruction from vehicles directly into shredding area, supervised by personnel screened in compliance with BS7858. If materials cannot be destroyed immediately they will be temporarily off-loaded in to a separate storage area, secured with steel, roller shutter doors, for interim storage prior to shredding.

Any sub-contracting arrangements would be carried out only by UKSSA certificated members ensuring compliance with BS EN 15713:2009. Any sub-contracts would be notified to the Authority for their approval prior to appointment.

A.6 The Supplier will operate cross-cut shredders equipped to shred to the maximum cutting widths specified in BS EN15713:2009 standard for the material categories to be processed under this Contract:

- i) Category A and C materials ('paper, plans, documents and drawings' and 'video / audio tapes, diskettes, cassettes and film') are loaded onto the shredder conveyor and shredded to a size not exceeding 16mm.
- ii) Category E materials ('ID cards, CD's and DVD's') are shredded to <5mm End Product Disposal.

A.7 In compliance with BSEN15713, Riverdale Paper will ensure that none of the materials handled under this Contract will go to landfill.

-Shredded paper will be recycled at paper mills in the North East of England

-Shredded plastics will be baled and exported for recycling as an Annex III 'Green List Waste' under the Waste Shipments Regulations; or recycled at re-processors in the UK where capacity is available

A.8 The Supplier will collect waste materials between 08:00 – 16:30 Monday – Friday and vehicles will arrive at Benton Warehouse no later than 12.00pm (noon) to collect waste.

- i) The Supplier will make collections using articulated units/40ft flat-bed curtain sided trailers and securable and sealable boxed vans.
- ii) The Supplier's drivers are screened in compliance with the requirements of BS78578, wear Riverdale Paper uniforms and carry photographic ID.
- iii) All collection vehicles are fitted with an immobiliser and/or alarm and are equipped with radio and/or mobile phones.
- iv) Business Continuity Plan - In compliance with Section 6 of this Contract, the Supplier will provide the Authority with a Business Continuity plan within 40 business days of the Service Commencement Date, and will ensure that the Plan, once agreed with the Authority, remains valid and compliant with this Contract.
- v) The Supplier's vehicle routes and progress during transfer is monitored via the Supplier's GPS vehicle tracking system 'RAM' Remote Asset Management..

A.9 The Supplier will support the Authority and Central Government's aspirational targets of securing up to 3% of its workforce as apprenticeships where possible in line with the suitability of any employment opportunities which may arise. The Supplier will also support the aspirational targets of securing up to 33% of the supply chain as SME's (Small/Medium Enterprises) where this is suitable to fulfil the needs of the organisation and the contract.

## **B Scope of Works**

B.1 The following summarises the Supplier's proposed methodology in the delivery of Core Activities under the Contract:

All deliveries, collections and returns will comply with specified access hours of 08:00 – 16:30, with vehicles arriving for loading no later than 12:00PM Monday-Friday and will be deployed in accordance with the agreed Collection Schedule with the Authority.

### Delivery & Collection 1 (as Agreed Collection Schedule)

- (i) Deliver of 15 – 20 x 500L closable receptacles on the Supplier's artic / curtain sider

- (ii) Delivery vehicle to return to The Supplier's facility via another client's premises en route to mitigate carbon footprint.
- (iii) Collection of waste material from the Authority's facility using Articulated unit and 40ft flat-bed, curtain sided trailer, as per the agreed Collection Schedule to retrieve some or all of the following categories of material, maximising loads where possible (full load – 52 pallets):
  - Full 500L closed receptacles;
  - Full plastic trays (shrink-wrapped and palletised);
  - Any confidential media in closed receptacles;
  - Any plastic cards in closed receptacles;
- (iv) Transfer collected materials for destruction to the Supplier's facility at Team Valley, Gateshead.
  - a) Curtain-sider can be 'bonded' utilising metal cabling to further secure contents from client site to the Supplier's processing facility.
  - b) The Supplier's vehicle will not stop between the authorities facility and the Supplier's facility to the Team Valley processing site.
  - c) The vehicle's route and progress during transfer is monitored at all times through the Supplier's GPS vehicle tracking system 'RAM' Remote Asset Management and all of the Supplier's vehicles are fitted with an immobiliser and / or alarm system.
- (v) At the Supplier's Team Valley, Gateshead facility:
  - a) Access to the facility is strictly controlled and the site is fitted with an access control system (keypads), security fencing and CCTV.
  - b) Weighbridge data will be taken in compliance with the Supplier's ISO9001 Quality Management System (QMS) requirements and the Authority's Specification.
  - c) Shredding operations will commence immediately or if required the vehicle will be routed to a separate, interim storage area, secured with steel, roller-shutter doors temporarily.
- (vi) Shredding Operation
  - a) All Supplier staff involved in shredding operations are permanent employees and are screened in compliance with the requirements of BS7858.
  - b) The pallet or closed receptacle reference number is checked against the agreed Collection Schedule and logged for inclusion on the Certificate of Destruction.

- c) The shredding machine reference is logged for inclusion on the Certificate of Destruction.
- d) The materials for destruction are graded and individually weighed.
- e) Category A and C materials ('paper, plans, documents and drawings' and 'video / audio tapes, diskettes, cassettes and film') shredded to <16mm.
- f) Category E materials ('ID cards, CD's and DVD's') are shredded to <5mm.
- g) Reference card inserts on plastic trays are also shredded in compliance with the above to <16mm.
- h) All Authority materials will be shredded in compliance with the Contract Specification, BS EN15713:2009 and UKSSA Code of Practice within 24 hours of arrival at the Supplier's Team Valley, Gateshead, facility.
- i) After the secure destruction of the prescriptions the trays would be checked by the shredding supervisor, this would then be marked off the list supplied by the Authority as complete.
- j) The shred size is checked on every load, if the Supplier finds any waste materials which are not shredded to the size required then the load will be passed back through the shredder until it meets the requires size.
- k) Shredded materials are securely baled and securely stored at the Supplier's Team Valley, Gateshead facility prior to transfer for recycling at mills in the North East of England.
- l) A Certificate of Destruction will be issued by post and/or email to the Authority in compliance with the contract Specification.
- m) Empty plastic trays will be shrink-wrapped onto pallets and stored, along with the empty, closable receptacles, in a secure area prior to return to the Authority's facility at Benton Warehouse.

Delivery & Collection 2 (as Agreed Collection Schedule: 3<sup>rd</sup> working day following collection)

- (i) As for Collection 1, but also returning:
  - a) Empty, palletised, shrink-wrapped plastic trays;
  - b) Empty 500L closable receptacles

Subsequent Delivery & Collections (as Agreed Collection Schedule:, but within 2 weeks of the beginning of the calendar month)

- (i) As Collection 2.

B.2 The Supplier's methodology for delivering the Additional Activities is as follows:

The Supplier recognises that the Additional Activities as detailed in the Service Specification will be required on an ad-hoc basis and as such the development of an agreed schedule for

collections, as detailed in B1 in respect of Core Activities, will not be possible in advance of the Service Commencement Date in respect of Additional Activities. However, the following summarises the anticipated approach to collection of confidential paper from sites within the Authority's wider estate:

- (i) Upon receipt of a request from the Authority for collection of confidential waste from the Authority's facilities for the waste covered in the additional activities the Supplier will carry out the following;
- (ii) Logging of request by Operations Manager and in compliance with the Supplier's QMS procedure AP03: 'Sales Enquiries for Materials and Services, Collections and Deliveries'
- (iii) Record of the following details:
  - a) Confidential Material Type;
  - b) Quantity (size and number of boxes etc.);
  - c) Scheduled date for collection;
  - d) Location;
  - e) Access times / restrictions in compliance with the Specification, all collections will comply with the specified site access hours of 08:00 – 16:30;
  - f) Order Reference (e.g. Contract Ref: NHS16-06-07/01/16).
- iv) Based on the above data, the Operations Manager will establish the most beneficial approach to collection in terms of allocating internal resource, or nominating an accredited member of the United Kingdom Security Shredding Association (UKSSA) to undertake the collection. Key considerations will be:
  - a) Authority's site location;
  - b) Carbon footprint and sustainability in compliance with the requirements of the company's ISO14001 Environmental Management System;
  - c) Authority's requirements in terms of order schedule and associated availability of haulage resource;
  - d) Securing appropriate authorisation from the Authority to use the nominated sub-contractor;
- v) Once the proposed approach has been confirmed with, and approved by, the Authority, the collection will be made utilising a box van or other BS EN15713 compliant vehicle and the following will be maintained;
  - a) Drivers will have passed screening in compliance with the BS7858 Code of Practice;

- b) Confidential waste materials will be weighed in on arrival at the processing facility and relevant data captured;
- c) All materials will be shredded in compliance with the requirements of BSEN15713:2009 in terms of shred size for a specified category of material;
- d) A Certificate of Destruction will be issued by post to the Authority and in compliance with the contract Specification;
- e) Drivers of third-party vehicles will always be the Supplier's employees, subject to enhanced DBS checks in compliance with BS7858 (2012 as amended) and the UKSSA Code of Practice;

In addition to the proposed off-site shredding service, the Supplier owns and operates 2 mobile shredder vehicles capable of shredding categories of materials anticipated to be collected under the Additional Activities service. Where it would be of benefit to the Authority's site, the Supplier could provide an on-site shredding service which is fully compliant with BSEN15713:2009 and enables a Certificate of Destruction to be issued by the Supplier's driver on the day the work is carried out.

B.3 The Supplier will ensure a secure end to end service for both the Core and Additional Activities by implementing the following measures;

- (i) At the point of collection & delivery / operational interface with the Authority all staff, including drivers, are permanent employees and are subject to the following checks::
  - a) All Riverdale Paper staff are Disclosure Barring Service (DBS) checked (formerly CRB, Criminal Records Bureau checked) in compliance with BS7858 (2012).
  - b) Staff involved in the collection of confidential waste for Off-site or On-site Shredding, are subject to Enhanced DBS checks in compliance with BS7858 (2012). All Supplier collection staff wear Riverdale Paper uniforms and carry company ID.
  - c) The Screening process is carried out by an independent organisation: Nova Risk Management & Staff Vetting. As members of the United Kingdom Security Shredding Association (UKSSA) the Supplier is subject to biennial auditing to ensure compliance with the UKSSA standards by an independent body. The Supplier's employees are screened upon employment at Riverdale and shredding operatives are subject to enhanced screening (DBS) as part of the UKSSA standard. The company reissues 'authorised access' cards to all shredding operatives every two years. Documents are checked in line with this frequency.
- (ii) When the Confidential Materials are transferred to the Supplier's processing facility:
  - a) Curtain-sider vehicles (used for the Core Activities) can be 'bonded' utilising metal cabling to further secure contents from client site to the Supplier's processing facility;

- b) Box vans (used for the Additional Activities) are sealed and lockable;
  - c) The Supplier's vehicle will not stop en route to the Team Valley processing site;
  - d) The vehicle's route and progress during transfer is monitored at all times through the Supplier's GPS vehicle tracking system 'RAM' Remote Asset Management;
  - e) All Supplier vehicles are fitted with an immobiliser and / or alarm system.
- (iii) Upon arrival at the Supplier's Processing Facilities
- a) Access to the facility is strictly controlled and the site benefits from security fencing, access barriers controlled by the weighbridge, and CCTV;
  - b) A separate, storage area secured with a steel, roller-shutter door is available for secure interim storage when required. However, all confidential materials are shredded within 24 hours of collection;
  - c) All Supplier's staff involved in shredding operations are permanent employees and are screened in compliance with the requirements of BS7858;
  - d) Site visitors are accompanied at all times by a member of staff Screened in compliance with BS7858.

Verification of the secure and successful completion of the service from collection of confidential materials to destruction in compliance with BSEN15713:2009 is codified through a comprehensive audit trail which includes the logging of pallet or closed receptacle reference numbers, the specific shredding machine used and the Operative undertaking the shredding, for inclusion on the Certificate of Destruction.

A copy of the vehicle weighbridge ticket will be appended to the Certificate of Destruction, creating a full audit trail from collection to destruction. The Supplier is also audited by the National Security Inspectorate every 2 years.

## **C Contract Management and Monitoring**

- C.1 An organisation chart detailing the Supplier's managerial structure is contained in Annex 1 and Key Personnel are listed below:

### Educational, Professional Qualifications & Experience

- a) Stuart Riccalton (Managing Director): 40 years' experience in paper manufacturing & recycling.
- b) Ken Barnett (Commercial Manager): Certificate of Professional Competence (CPC) & 14 years' experience in waste management

The Commercial Manager will liaise with the Authority's nominated Contract Manager; address any contractual issues and ensure any complaint is dealt with swiftly and effectively throughout the Quality Management System and will be responsible for the

day to day operational side of the contract liaising with the Authority and organising collections and returns of the trays and attending management meetings required

- c) Graeme Riccalton (Production and Health & Safety Manager): CPC NEBOSHH: 16 years' experience in confidential shredding & recycling.

The Production and Health & Safety Manager is responsible for production planning to ensure the availability of shredder capacity to meet the specific Contract requirements. He will liaise with the Operations Manager to dovetail capacity availability with the scheduling of collections from the Authority's site; and with Shredding Operatives to confirm the processing schedule once materials have arrived on site.

- d) Iain Riccalton (Operations Manager): CPC 14 years' experience in confidential shredding & recycling.

The Operations Manager will be primarily responsible for the allocation and scheduling of haulage resources and driver(s) in compliance with the agreed collection / delivery schedules. He will also liaise with the Authority at operational level to confirm access and collection arrangements. He will be supported by the Assistant GM in the scheduling of vehicle maintenance to ensure both vehicle maintenance and checks are completed in compliance with the maintenance regime, and on-going availability of capacity to fulfil the contract.

- e) Kevin Brown (Assistant General Manager).

The Assistant General Manager will be responsible for producing the monthly Management Information (MI) on behalf of the organisation which is required by the Authority and attending management meetings to discuss (MI) and performance in conjunction with the Supplier's Commercial Manager.

- f) Drivers (Enhanced DBS checks)

- g) Shredding Operatives (Enhanced DBS checks)

All staff involved in shredding operations are permanent employees and are screened in compliance with the requirements of BS7858. The name of the staff member undertaking the shredding is logged and an associated reference will appear on the Certificate of Destruction. The pallet or closed receptacle reference number is also logged by the Operative for inclusion on the Certificate of Destruction. In addition, the shredding machine reference is logged for inclusion on the Certificate of Destruction

The DBS checks and screening process is carried out by an independent organisation: Nova Risk Management & Staff Vetting.

- C.2 The Supplier owns and operates all of the capital resources to be utilised in fulfilling the requirements of this Contract for both the Core and Additional Activities up to and including the point of Certified Destruction, including:

- a) The Supplier's Team Valley, Gateshead depot and processing facility. Head office and administrative centre.
- b) The Supplier's Durham (Shotton Colliery) depot (BCDR site).
- c) Articulated lorry unit and 40ft trailer (Core Service).
- d) 4 x Box vans (Additional Services)
- e) 2 x static shredders (1 x AXO 832-16-E paper cross-cut shredder set at 16mm) (1x Ulster AZ45 paper cross-cut shredder set at 16mm): Category A and C materials 'paper, plans, documents and drawings' and 'video / audio tapes, diskettes, cassettes and film'.
- f) 1 x static shredder (5mm shred): Category E materials ('ID cards, CD's and DVD's')

Both capital & human resources will be managed from the Supplier's Head Office at Team Valley, Gateshead which also serves as the processing location for the confidential materials collected under this Contract.

Training undertaken by both management staff and operatives is reinforced through regular 'tool-box talks'. The training is designed to ensure that the requirements of the Data Protection Act, BSEN15713 and of UKSSA Certification are delivered through a clear understanding of the comprehensive working procedures which comprise the Supplier's Quality Management System, and which have been designed to ensure compliance with these standards.

The Supplier will deliver the contract as efficiently and sustainably as possible by utilising an articulated unit and 40ft curtain-sider trailer for collections of material specified under Core Activities. This maximises payloads, and reduces collection frequency, mitigating the carbon footprint of the solution. The Supplier's facility at Team Valley, Gateshead will be the processing location for the Authority's material which is within 20 miles from the Authority's Benton Warehouse facility.

The Supplier will ensure that the return of palletised trays and closable receptacles following the last collection in the month of materials from the Benton site in a given month, will be offset by a subsequent back-load from another client approximately 1 mile from the Authority's Benton Warehouse site, located at Killingworth.

With regard to the Additional Activities under this Contract, the Supplier's facilities are located in close proximity to a number of the Authority's facilities in the wider estate for example the sites at Bridge House, City Gate, Stella House, and Benton Warehouse.

In relation to collections outside of the North East the Supplier's Operations Manager will give consideration to the potential carbon footprint of the collection in establishing the most beneficial approach to collection in terms of allocating internal resource, or nominating an accredited member of the United Kingdom Security Shredding Association (UKSSA) to undertake the collection as a sub-contractor. The extent to which on-site shredding may offer a more carbon-efficient solution will also be considered, subject always to agreement with the Authority.

The Supplier will monitor energy use and fuel use and the associated impact with regard to the generation of CO<sub>2</sub>e is measured as part of the company's ISO14001 EMS. The EMS

requires that the Supplier continually improve performance in this regard. Key indicators measured as part of this commitment include:

- Collection vehicle fuel consumption
- On-site plant fuel and gas consumption
- Amenity buildings / site infrastructure electricity and gas consumption

This data is converted to the CO<sub>2</sub>e equivalent tonnage (utilising DEFRA / DECC's Greenhouse Gas Conversion Factors for Company Reporting tool) and reviewed at least annually, to facilitate the implementation of measures to reduce emissions per unit of production in the following period.

Such measures include:

- Maintenance of a modern fleet of vehicles to ensure the efficiency of the transport fleet is maximised;
- Implementation of driver training initiatives;
- Engagement with the Carbon Trust including an on-site survey to assess scope for mitigating energy use in operational and amenity areas.

The Supplier closely monitors fuel usage to assess the scope for, and potential environmental benefits arising from a Safe and Fuel Efficient Driving Course (SaFED) or similar. Such courses, if well targeted and managed, are generally considered to reduce fuel usage by 9% - 10% across the fleet with a commensurate reduction in carbon emissions.

The Supplier generates data through implementation of its ISO14001 EMS which facilitates the tracking of the performance of shredding, baling and other waste treatment facilities at its Team Valley and Durham depots.

Key indicators measured as part of this commitment include:

- Collection vehicle fuel consumption
- On-site plant fuel and gas consumption
- Amenity buildings / site infrastructure electricity and gas consumption

This data is converted to the CO<sub>2</sub>e equivalent tonnage (utilising DEFRA / DECC's Greenhouse Gas Conversion Factors for Company Reporting tool) and reviewed at least annually, to facilitate the implementation of measures to reduce emissions per unit of production in the following period.

The Supplier is committed to mitigate the environmental impact associated with its operations and will ultimately aim to reduce CO<sub>2</sub>e per tonne of processing output, at both its Durham and Gateshead depots.

## **D Management Information and Governance**

- D.1 The Supplier will provide Management Information in compliance with the Authority's requirements as detailed in the Service Specification.

D.2 The Supplier accepts that the Authority has the right of audit/inspection of compliance with the waste management processes, procedures and plans at their convenience.

D.3 The Supplier captures basic data at key points during its operational activities which includes:

- a) Client
- b) Location
- c) Number of pallets / closable receptacles for collection
- d) Material type
- e) EWC Code

These details are used to generate a Vehicle Schedule Sheet (AF03) and Duty of Care ticket which is issued to the driver and vehicle allocated for the collection.

Following collection of the materials for destruction, the white copy of the weighbridge ticket is passed to the customer / Authority. The pink copy of the ticket is retained and passed to the weighbridge on arrival at the Team Valley depot and prior to the vehicle accessing the site. This is used to generate a yellow ticket which is passed to the Shredding Supervisor.

D.4 The shredding supervisor logs the pallet reference / closable receptacle reference before shredding of the confidential material. The shredding machine reference is also logged, in addition to the shredding supervisor's name. On completion of the shredding operation, these details are included on the Certificate of Destruction, and the yellow copy of the Duty of Care ticket is appended to the Certificate of Destruction to ensure a comprehensive audit trail is in place.

D.5 The information contained on the collection schedules and Certificate of Destruction will be used to provide part of the Management Information to the Authority in compliance with the Authority's requirements..

The Supplier will also use this data to monitor and report on its own performance in relation to KPI requirements under Schedule 12 of the Contract Terms & Conditions. Details of compliance / non-compliance with the KPI / SPI regime will be recorded and reported on a monthly basis in compliance with the Contract Specification. This data will be captured in spread sheet format and provided to the Authority monthly.

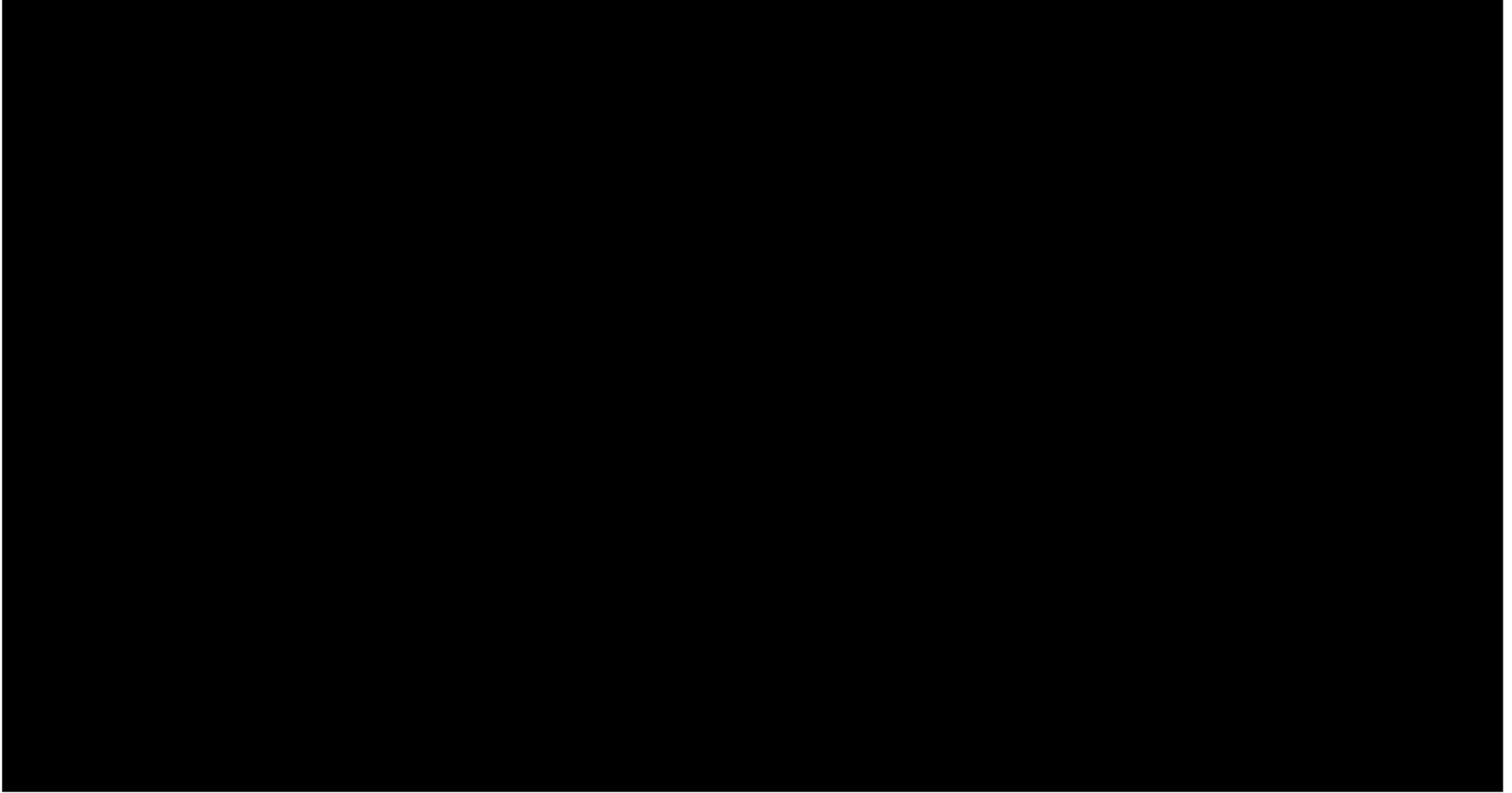
## **E Supplier Obligations (in addition to Authority Obligations in Schedule 8)**

E.1 The Supplier accepts that the Authority will endeavour to reduce as much paper waste contamination such as staples, paper clips, clips treasury tags, etc. as possible however cannot guarantee that paper waste will be free from such contamination.

E.2 The Supplier accepts responsibility for security of all confidential information and compliance with the Data Protection Act 1998 and any subsequent replacement from the point at which the information leaves the Authority's facility.

- E.3 The Supplier accepts the flow down of liability for fines levied on the Authority by the Information Commissioners Office for any breach by the Supplier of the Data Protection Act 1998 or its replacement legislation.
- E.4 The Supplier will maintain a full audit trail of which staff/machine complete the destruction of the waste material.
- E.5 The Supplier will comply with all obligations within contract schedules and terms and conditions.
- E.6 The Supplier will report any breach of security to the Authority within 24 hours of the breach. As part of the Supplier's ISO 9001 in the case of any breach being made, a Non Conformance report would be raised and Emailed to the Authority within 24 hours. A meeting would then be arranged to discuss and resolve the issue. If any breach of security protocols was made by a member of the Supplier's staff, this would result in in a disciplinary investigation which could result in a disciplinary action being made against that individual member of staff.)

**Annex 1  
Organogram**



**Schedule 6**  
**Pricing Schedule**

**SCHEDULE 6**

**PRICING SCHEDULE**

**CORE ACTIVITIES - OFF SITE DESTRUCTION**

Item	Rate	Unit	Frequency
Mixed paper (palletised)		Kilo	12/year
500l recepticals		No.	12/year
Mixed paper		Kilo	12/year
Misc media		Kilo	1/year
Misc plastic cards		Kilo	1/year
<b>TOTAL</b>			

NB: Negative rate = revenue

**ADDITIONAL ACTIVITIES - OFF SITE DESTRUCTION**

Facility	Min Qty (250 kilo)	Rate (£/kilo)	Qty (251k - 500 kilo)	Rate (£/kilo)	Qty (501-750 kilo)	Rate (£/kilo)	Qty (751-1000 kilo)	Rate (£/kilo)	Qty (1001 kilo & above)	Rate (£/kilo)
Coventry	250		500		750		1000		1001	
Eastbourne	250		500		750		1000		1001	
Fleetwood	250		500		750		1000		1001	
London	250		500		750		1000		1001	
Mansfield	250		500		750		1000		1001	
Middlebrook office	250		500		750		1000		1001	
Middlebrook warehouse	250		500		750		1000		1001	
Newcastle (Bridge)	250		500		750		1000		1001	
Newcastle (Benton)	250		500		750		1000		1001	
Newcastle (Citygate)	250		500		750		1000		1001	
Newcastle (Stella)	250		500		750		1000		1001	
Wakefield office	250		500		750		1000		1001	
Wakefield warehouse	250		500		750		1000		1001	

**PRICING SCHEDULE ASSUMPTIONS TO CALCULATE RATES**

Item	Gross Revenue	Gross Cost
<b>Core Activities</b>	<b>per kilo</b>	<b>per kilo</b>
Mixed paper (palletised)		
Mixed paper		
Misc media		
Misc plastic cards		

	Gross Revenue	Gross Cost	Gross Revenue	Gross Cost	Gross Revenue	Gross Cost	Gross Revenue
<b>Additional Activities</b>	<b>per kilo</b>						
	250k	250k	500k	500k	750k	750k	1000k
Coventry							
Eastbourne							
Fleetwood							
London							
Mansfield							
Middlebrook office							
Middlebrook warehouse							
Newcastle (Bridge)							
Newcastle (Benton)							
Newcastle (Citygate)							
Newcastle (Stella)							
Wakefield office							
Wakefield warehouse							

Schedule of assumptions used to drive rates in Pricing Schedule and to be utilised for Rates Review detailed in Clause

NHS Terms and Conditions for the Provision of Services (Contract Version) (August 2014)

## Schedule 7

### Staff transfer

The optional parts of this Schedule 7 below shall only apply to this Contract where such parts have been checked.

**Part A ✓ No staff transfer to the Supplier under TUPE (only applicable to the Contract if this box is checked)**

- 1.1 The Parties agree that at the commencement of the provision of Services by the Supplier TUPE, the Cabinet Office Statement and Fair Deal for Staff Pensions shall not apply so as to transfer the employment of any employees of the Authority or a Third Party to the Supplier.
- 1.2 If any person who is an employee of the Authority or a Third Party claims, or it is determined, that their contract of employment has been transferred from the Authority or Third Party to the Supplier or a subcontractor pursuant to TUPE, or claims that their employment would have so transferred had they not resigned, then:
  - 1.2.1 the Supplier will, within seven (7) days of becoming aware of that fact, give notice in writing to the Authority;
  - 1.2.2 the Authority or Third Party may offer employment to such person within twenty-eight (28) days of the notification by the Supplier (but shall be under no obligation to do so);
  - 1.2.3 if such offer of employment is accepted, the Supplier or a subcontractor shall immediately release the person from their employment;
  - 1.2.4 if after that period specified in Clause 1.2.2 of Part A of this Schedule 7 has elapsed, no offer of employment has been made by the Authority or Third Party, or such offer has been made by the Authority or Third Party but not accepted within a reasonable time, the Supplier or subcontractor shall employ that person in accordance with its obligations and duties under TUPE and shall be responsible for all liabilities arising in respect of any such person and shall (where relevant) be bound to apply Fair Deal for Staff Pensions in respect of any such person in accordance with the provisions of Part D of this Schedule 7 and shall indemnify the Authority in full for and against all Losses in relation to any Employment Liabilities arising in respect of any such person whatsoever and howsoever arising, incurred or suffered by the Authority.
- 1.3 During the term of this Contract the Supplier shall use its reasonable endeavours to (and shall procure that any subcontractor shall) provide to the Authority such information as it may reasonably require in relation to the Supplier Personnel and/or the staff (including but not limited to the provision of employee liability information identified in regulation 11 of TUPE).

**Part B Staff transfer from the Authority under TUPE (only applicable to the Contract if this box is checked)**

- 1.1 The Parties agree that the commencement of the provision of Services under this Contract shall give rise to a relevant transfer as defined in TUPE. Accordingly the contracts of employment of the Transferring Employees will transfer on the Transfer Date to the Supplier

or any subcontractor pursuant to TUPE, the Cabinet Office Statement and Fair Deal for Staff Pensions.

- 1.2 The Supplier agrees, or shall ensure by written agreement that any subcontractor shall agree, to accept the Transferring Employees into its employment on the Transfer Date upon their then current terms and conditions of employment (including the right to continued access to the NHS Pension Scheme or access to a Broadly Comparable pension scheme which shall be dealt with in accordance with Part D of this Schedule 7) and with full continuity of employment.
- 1.3 The Supplier's agreement in Clause 1.2 of Part B of this Schedule 7 (and any subsequent agreement by any subcontractor), is subject to the right of any employee identified as a Transferring Employee to object to being transferred to the Supplier or any subcontractor.
- 1.4 The Supplier will, or shall ensure by written agreement that any subcontractor will:
  - 1.4.1 not later than twenty eight (28) days after issue of a written notice in writing to it from the Authority, provide the Authority with the information required under regulation 13(4) of TUPE. The Supplier shall be liable to the Authority for, and shall indemnify and keep the Authority indemnified against, any loss, damages, costs, expenses (including without limitation legal costs and expenses), claims or proceedings that arise or result from any breach of this obligation;
  - 1.4.2 provide such assistance and information to the Authority as it may reasonably request to facilitate a smooth and efficient handover of the Transferring Employees to the Supplier or any subcontractor (including attendance at any meetings with Transferring Employees, trade unions and employee representatives);
  - 1.4.3 comply with its obligations to inform and, if necessary, consult with the appropriate representatives of any employees who are affected by the relevant transfer in accordance with regulation 13 of TUPE; and
  - 1.4.4 immediately following the Transfer Date comply with its obligation to consult with the appropriate representatives of the Transferring Employees about any Measures in accordance with regulation 13(6) of TUPE.
- 1.5 The Authority will on or before the Transfer Date:
  - 1.5.1 pay all wages, salaries and other benefits of the Transferring Employees (including any contributions to retirement benefit schemes) and discharge all other financial obligations (including reimbursement of any expenses) owing to the Transferring Employees in respect of the period before the Transfer Date;
  - 1.5.2 procure that any loans or advances made to the Transferring Employees before the Transfer Date are repaid to it;
  - 1.5.3 account to the proper authority for all PAYE tax deductions and national insurance contributions payable in respect of the Transferring Employees in the period before the Transfer Date; and
  - 1.5.4 pay the Supplier the amount which would be payable to each of the Transferring Employees in lieu of accrued but untaken holiday entitlement as at the Transfer Date.
- 1.6 The Authority will:

- 1.6.1 provide such assistance and information to the Supplier as it may reasonably request to facilitate a smooth and efficient handover of the Transferring Employees to the Supplier or any subcontractor, including the provision of all employee liability information identified in regulation 11 of TUPE in relation to the Transferring Employees; and
  - 1.6.2 comply with its obligations to inform and, if necessary, consult with the appropriate representatives of any employees who are affected by the relevant transfer in accordance with regulation 13 of TUPE.
- 1.7 The Authority shall indemnify and keep indemnified the Supplier in relation to any Employment Liabilities arising out of or in connection with any claim which arises as a result of any act or omission of the Authority in relation to the Transferring Employees prior to the Transfer Date save for where such act or omission results from complying with the instructions of the Supplier or subcontractor, including the Supplier or subcontractor failing to comply with its obligations under regulation 13 of TUPE, but only to the extent that such claim is brought by:
- 1.7.1 any of the Transferring Employees (whether on their own behalf or in their capacity as employee representatives); or
  - 1.7.2 any trade union, staff association or staff body recognised by the Authority in respect of any of the Transferring Employees or any employee representatives acting on behalf of any of the Transferring Employees.
- 1.8 The Supplier shall be responsible for or shall procure that any relevant subcontractor shall be responsible from the Transfer Date for all remuneration, benefits, entitlements and outgoings in respect of the Transferring Employees and other Staff.
- 1.9 The Supplier shall indemnify and will keep indemnified the Authority in relation to any Employment Liabilities arising out of or in connection with:
- 1.9.1 any act or omission of the Supplier or subcontractor on or after the Transfer Date (or any other event or occurrence after the Transfer Date) in respect of any Transferring Employee or Staff (including but not limited to any liability which arises because a Transferring Employee's employment with the Supplier or subcontractor is deemed to include their previous continuous employment with the Authority);
  - 1.9.2 any act or omission of the Supplier or subcontractor in relation to its obligations under regulation 13 of TUPE, or in respect of an award of compensation under regulation 15 of TUPE except to the extent that the liability arises from the Authority's failure to comply with regulation 13 of TUPE;
  - 1.9.3 any allegation or claim by a Transferring Employee or any other employee of the Authority that in consequence of the transfer of Services to the Supplier or subcontractor there has or will be a substantial change in such Transferring Employee's working conditions to their detriment within regulation 4(9) of TUPE; and
  - 1.9.4 any allegation or claim that the termination of employment of any of the Transferring Employees or any other employee of the Authority whether on or before the Transfer Date which arises as a result of any act or omission by the Supplier or subcontractor save for where such act or omission results from complying with the instructions of the Authority.

- 1.10 If any person who is an employee of the Authority who is not a Transferring Employee claims or it is determined that their contract of employment has been transferred from the Authority to the Supplier or any subcontractor pursuant to TUPE, or claims that their employment would have so transferred had they not resigned:
- 1.10.1 the Supplier will, within seven (7) days of becoming aware of that fact, give notice in writing to the Authority;
  - 1.10.2 the Authority may offer employment to such person within twenty eight (28) days of the notification by the Supplier;
  - 1.10.3 if such offer of employment is accepted, the Supplier or subcontractor shall immediately release the person from their employment; and
  - 1.10.4 if after the period specified in Clause 1.10.2 of Part B of this Schedule 7 has elapsed, no offer of employment has been made by the Authority or such offer has been made by the Authority but not accepted within a reasonable time, the Supplier or subcontractor shall employ that person in accordance with its obligations and duties under TUPE and shall be responsible for all liabilities arising in respect of any such person from the Transfer Date.

**Part C Staff transfer from a current provider under TUPE (only applicable to the Contract if this box is checked)**

- 1.1 The Parties agree that the commencement of the provision of Services under this Contract shall give rise to a relevant transfer as defined in TUPE. Accordingly the contracts of employment of the Third Party Employees will transfer on the Transfer Date to the Supplier or a subcontractor pursuant to TUPE, the Cabinet Office Statement and (where relevant) Fair Deal for Staff Pensions.
- 1.2 The Supplier agrees, or shall ensure by written agreement that any subcontractor shall agree, to accept the Third Party Employees into its employment on the Transfer Date upon their then current terms and conditions of employment (and including (where relevant) the right to secure access or continued access to the NHS Pension Scheme or access or continued access to a Broadly Comparable pension scheme in accordance with Fair Deal for Staff Pensions (which shall be dealt with in accordance with Part D of this Schedule 7)) and with full continuity of employment.
- 1.3 The Supplier's agreement in Clause 1.2 of Part C of this Schedule 7 (and any subsequent agreement by any subcontractor), is subject to the right of any Third Party Employee to object to being transferred to the Supplier or any subcontractor.
- 1.4 The Supplier will, or shall ensure by written agreement that any subcontractor will:
- 1.4.1 not later than twenty eight (28) days after issue of a written notice in writing to it from the Authority, provide the Third Party with the information required under regulation 13(4) of TUPE. The Supplier shall be liable to the Authority for, and shall indemnify and keep the Authority and any Third Party indemnified against, any loss, damages, costs, expenses (including without limitation legal costs and expenses), claims or proceedings that arise or result from any breach of this obligation;
  - 1.4.2 provide such assistance and information to the Third Party as it may reasonably request to facilitate a smooth and efficient handover of the Third Party Employees to the Supplier or any subcontractor (including attendance at any meetings with Third Party Employees, trade unions and employee representatives);

- 1.4.3 comply with its obligations to inform and, if necessary, consult with the appropriate representatives of any employees who are affected by the relevant transfer in accordance with regulation 13 of TUPE; and
- 1.4.4 immediately following the Transfer Date comply with its obligation to consult with the appropriate representatives of the Third Party Employees about any Measures in accordance with regulation 13(6) of TUPE.
- 1.5 The Supplier shall be responsible for, or shall procure that any relevant subcontractor shall be responsible from the Transfer Date, for all remuneration, benefits, entitlements and outgoings in respect of the Third Party Employees and other Staff.
- 1.6 The Supplier shall indemnify and will keep indemnified the Authority and any Third Party in relation to any Employment Liabilities arising out of or in connection with:
  - 1.6.1 any act or omission of the Supplier or a subcontractor on or after the Transfer Date (or any other event or occurrence after the Transfer Date) in respect of any Third Party Employee or Staff (including but not limited to any liability which arises because a Third Party Employee's employment with the Supplier or a subcontractor is deemed to include their previous continuous employment with the Third Party);
  - 1.6.2 any act or omission of the Supplier or a subcontractor in relation to its obligations under regulation 13 of TUPE, or in respect of an award of compensation under regulation 15 of TUPE except to the extent that the liability arises from the Third Party's failure to comply with regulation 13 of TUPE;
  - 1.6.3 any claim or allegation by a Third Party Employee or any other employee of the Authority or Third Party that in consequence of the transfer of Services to the Supplier or a subcontractor there has or will be a substantial change in their working conditions to their detriment within regulation 4(9) of TUPE; and
  - 1.6.4 any claim or allegation that the termination of employment of any of the Third Party Employees or any other employee of the Third Party whether on or before the Transfer Date or not which arise as a result of any act or omission by the Supplier or a subcontractor save for where such act or omission results from complying with the instructions of the Authority.
- 1.7 The Authority shall use reasonable endeavours to transfer to the Supplier or any subcontractor the benefit of any indemnity it has from the Third Party.

**Part D Provisions regarding pensions (only applicable to the Contract if this box is checked or Clause 1.2.4 of Part A of this Schedule 7 applies)**

**Broadly comparable pension benefits (Clause 1.2 of this Part D of Schedule 7 only applies to the Contract if this box is checked or Clause 1.2.4 of Part A of this Schedule 7 applies. For the avoidance of doubt, where this box is not checked, but the Part D box above is checked all of the provisions of this Part D of Schedule 7 shall apply to this Contract except Clause 1.2 of this Part D of Schedule 7)**

**1 Pension protection for Eligible Employees**

**1.1 Membership of the NHS Pension Scheme**

- 1.1.1 In accordance with Fair Deal for Staff Pensions, the Supplier and/or any subcontractor to which the employment of any Eligible Employee compulsorily

transfers as a result of the award of this Contract, if not an NHS Body or other employer which participates automatically in the NHS Pension Scheme, must on or before the Employee Transfer Date (and as a pre-condition to commencement of delivery of the Services), each secure a Direction Letter to enable the Eligible Employees to retain either continuous active membership of or eligibility for, the NHS Pension Scheme, or as appropriate rejoin or secure eligibility for the NHS Pension Scheme for so long as they remain employed in connection with the delivery of the Services under this Contract.

- 1.1.2 The Supplier must supply to the Authority at least twenty eight (28) days before the Employee Transfer Date a complete copy of each Direction Letter.
- 1.1.3 The Supplier (or its subcontractor, if relevant) will comply with the terms of the Direction Letter (including any terms which change as a result of changes in Law) in respect of the Eligible Employees until the day before the Subsequent Transfer Date for so long as they are employed on the delivery of the Services.
- 1.1.4 Where any Staff (including any Transferred Staff) omitted from the Direction Letter supplied in accordance with Clause 1.1.2 of this Part D of this Schedule 7 is subsequently found to be an Eligible Employee, the Supplier (or its subcontractor if relevant) will ensure that that person is treated as an Eligible Employee from the Employee Transfer Date so that their Pension Benefits and Premature Retirement Rights are not adversely affected.
- 1.1.5 Where during the Term the standard employer contribution rate which the Supplier is required to pay into the NHS Pension Scheme pursuant to the terms of its Direction Letter is increased to a rate which is over and above the rate which was applicable to the Supplier as at the date of this Contract and such rate increase results in an increased cost to the Supplier overall in relation to the provision of the Services ("**Cost Increase**"), the Supplier will (subject to Clause 1.1.6 of Part D of this Schedule 7 and the provision of supporting information) be entitled to recharge a sum equal to the Cost Increase to the Authority. For the avoidance of doubt, the Supplier will only be entitled to recharge any Cost Increase to the Authority pursuant to this Clause 1.1.5 of Part D of this Schedule 7 in circumstances where the Cost Increase arises solely as a direct result of a general increase in the employer contribution rate applicable to all employers participating in the NHS Pension Scheme and not in circumstances where the employer contribution rate applicable to the Supplier is increased for any other reason, including as a result of any acts or omissions of the Supplier which give rise to any costs or additional charges (including interest) being charged to the Supplier which are over and above the minimum employer contributions payable by an employer in the NHS Pension Scheme (including as a result of a failure by the Supplier to comply with the terms of its Direction Letter or to meet its obligations to the NHS Pension Scheme). Any such costs or additional charges or surcharges will, for the avoidance of doubt, be payable by the Supplier and will not be recharged to the Authority.
- 1.1.6 The Supplier must supply all such information as the Authority may reasonably request from time to time in order to support any claim made by the Supplier pursuant to Clause 1.1.5 of Part D of this Schedule 7 in relation to a Cost Increase.
- 1.1.7 Where during the Term the standard employer contribution rate which the Supplier is required to pay in relation to the NHS Pension Scheme pursuant to the terms of its Direction Letter is decreased as part of a general reduction in the standard employer contribution rate applicable to all employers participating in the NHS Pension Scheme to a rate which is lower than that which was applicable as at the date of this Contract and such decrease results in a cost saving for the

Supplier (a “**Cost Saving**”), the Authority will be entitled to reduce the amounts payable to the Supplier under this Contract by an amount equal to the Cost Saving. The Authority will be entitled to deduct any Cost Saving from sums otherwise payable by the Authority to the Supplier under this Contract.

## 1.2 Broadly Comparable Pension Benefits

1.2.1 If the Authority in its sole discretion (having considered the exceptional cases provided for in Fair Deal for Staff Pensions) agrees that the Supplier (or any subcontractor) need not provide the Eligible Employees with access to the NHS Pension Scheme, the Supplier (or any subcontractor) must ensure that, with effect from the Employee Transfer Date until the day before the Subsequent Transfer Date, the Eligible Employees are offered access to a scheme under which the Pension Benefits are Broadly Comparable to those provided under the NHS Pension Scheme.

1.2.2 The Supplier must supply to the Authority details of its (or its subcontractor’s) Broadly Comparable scheme and provide a full copy of the valid certificate of Broad Comparability covering all Eligible Employees, as soon as it is able to do so and in any event no later than twenty eight (28) days before the Employee Transfer Date.

## 1.3 Transfer Option

1.3.1 As soon as reasonably practicable and in any event no later than twenty (20) Business Days after the Employee Transfer Date, the Supplier must provide the Eligible Employees with the Transfer Option, where a Third Party offered, or the Supplier offers, a Broadly Comparable scheme.

## 1.4 Calculation of Transfer Amount

1.4.1 The Authority will use reasonable endeavours to procure that twenty (20) Business Days after the Transfer Option Deadline, the Transfer Amount is calculated by the Third Party’s Actuary or the Authority’s Actuary (as appropriate) on the following basis and notified to the Supplier along with any appropriate underlying methodology.

1.4.2 If the Third Party offers a Broadly Comparable scheme to Eligible Employees:

(i) the part of the Transfer Amount which relates to benefits accrued in that Broadly Comparable scheme other than those in Clause 1.4.2(ii) of Part D of this Schedule 7 below must be aligned to the funding requirements of that scheme; and

(ii) the part of the Transfer Amount which relates to benefits accrued in the NHS Pension Scheme (having been previously bulk transferred into the Third Party’s Broadly Comparable scheme), must be aligned to whichever of:

(A) the funding requirements of the Third Party’s Broadly Comparable scheme; or

(B) the principles under which the Third Party’s Broadly Comparable scheme received a bulk transfer payment from the NHS Pension Scheme (together with any shortfall payment),

gives the higher figure, provided that where the principles require the assumptions to be determined as at a particular date, that date will be the Employee Transfer Date.

- 1.4.3 In the case of Transferring Employees or any Third Party Employees who have access to the NHS Pension Scheme (and who are classed as Eligible Employees), the Transfer Amount will be calculated by the NHS Pension Scheme's Actuary on the basis applicable for bulk transfer terms from the NHS Pension Scheme set by the Department of Health from time to time.
- 1.4.4 Each Party will promptly provide to any Actuary calculating or verifying the Transfer Amount any documentation and information which that Actuary may reasonably require.

#### 1.5 Payment of Transfer Amount

Subject to:

- 1.5.1 the period for acceptance of the Transfer Option having expired; and
- 1.5.2 the Supplier having (and/or having procured that any relevant subcontractor has) provided the trustees or managers of the Third Party's pension scheme (or NHS Pensions, as appropriate) with completed and signed forms of consent in a form acceptable to the Third Party's pension scheme (or NHS Pensions) from each Eligible Employee in respect of the Transfer Option; and
- 1.5.3 if relevant, the issue of a contracting-out certificate in respect of the Supplier's (or any subcontractor's) Broadly Comparable scheme which covers the employment of the Eligible Employees; and
- 1.5.4 the calculation of the Transfer Amount in accordance with Clause 1.4 of Part D of this Schedule 7; and
- 1.5.5 the trustees or managers of the Supplier's (or any subcontractor's) Broadly Comparable scheme (or NHS Pensions, as appropriate) having confirmed in writing to the trustees or managers of the Third Party's pension scheme (or NHS Pensions, as appropriate) that they are ready, willing and able to receive the Transfer Amount and the bank details of where the Transfer Amount should be sent, and not having revoked that confirmation,

the Authority will use reasonable endeavours to procure that the Third Party's pension scheme (or the NHS Pension Scheme, as appropriate) will, on or before the Payment Date, transfer to the Supplier's (or subcontractor's) Broadly Comparable scheme (or NHS Pension Scheme) the Transfer Amount in cash, together with any cash or other assets which are referable to additional voluntary contributions (if any) paid by the Eligible Employees which do not give rise to salary-related benefits.

#### 1.6 Credit for Transfer Amount

- 1.6.1 Subject to prior receipt of the Transfer Amount (and any shortfall payable), by the trustees or managers of the Supplier's (or subcontractor's) Broadly Comparable scheme (or NHS Pensions, as appropriate), the Supplier must procure that year-for-year day-for-day service credits are granted in the Supplier's (or subcontractor's) Broadly Comparable scheme (or NHS Pension Scheme), or an actuarial equivalent agreed by the Authority's Actuary (and NHS Pension Scheme Actuary) in accordance with Fair Deal for Staff Pensions as a suitable reflection of

the differences in benefit structure between the NHS Pension Scheme and the Supplier's (or subcontractor's) pension scheme.

#### 1.7 Premature Retirement Rights

1.7.1 From the Employee Transfer Date until the day before the Subsequent Transfer Date, the Supplier must provide (and/or must ensure that any relevant subcontractor must provide) Premature Retirement Rights in respect of the Eligible Employees that are the same as the benefits they would have received had they remained employees of an NHS Body or other employer which participates automatically in the NHS Pension Scheme.

#### 1.8 Cancellation of any Direction Letter(s) and Right of Set-Off

1.8.1 If the Authority is entitled to terminate this Contract pursuant to Clause 15.5.4 of Schedule 2, the Authority may in its sole discretion instead of exercising its right under Clause 15.5.4 of Schedule 2 permit the Supplier (or the relevant subcontractor, as appropriate) to offer Broadly Comparable Pension Benefits, on such terms as decided by the Authority.

1.8.2 If the Authority is notified by NHS Pensions of any NHS Pension Scheme Arrears, the Authority will be entitled to deduct all or part of those arrears from any amount due to be paid by the Authority to the Supplier having given the Supplier five (5) Business Days' notice of its intention to do so, and to pay any sum deducted to NHS Pensions in full or partial settlement of the NHS Pension Scheme Arrears. This set-off right is in addition to and not instead of the Authority's right to terminate the Contract under Clause 15.5.4 of Schedule 2.

#### 1.9 Compensation

1.9.1 If the Supplier (or any subcontractor) is unable to provide the Eligible Employees with either:

(i) membership of the NHS Pension Scheme (having used its best endeavours to secure a Direction Letter); or

(ii) a Broadly Comparable scheme,

the Authority may in its sole discretion permit the Supplier to (or procure that the relevant subcontractor) compensate the Eligible Employees in a manner that is Broadly Comparable or equivalent in cash terms, the Supplier (or subcontractor as relevant) having consulted with a view to reaching agreement any recognised trade union or, in the absence of such body, the Eligible Employees. The Supplier must meet (or must procure that the relevant subcontractor meets) the costs of the Authority in determining whether the level of compensation offered is reasonable in the circumstances.

1.9.2 This flexibility for the Authority to allow compensation in place of Pension Benefits is in addition to and not instead of the Authority's right to terminate the Contract under Clause 15.5.4 of Schedule 2.

#### 1.10 Supplier Indemnities Regarding Pension Benefits and Premature Retirement Rights

1.10.1 The Supplier must indemnify and keep indemnified the Authority and any Successor against all Losses arising out of any claim by any Eligible Employee that the provision of (or failure to provide) Pension Benefits and Premature

Retirement Rights from the Employee Transfer Date, or the level of such benefit provided, constitutes a breach of his or her employment rights.

1.10.2 The Supplier must indemnify and keep indemnified the Authority, NHS Pensions and any Successor against all Losses arising out of the Supplier (or its subcontractor) allowing anyone who is not an Eligible Employee to join or claim membership of the NHS Pension Scheme at any time during the Term.

1.10.3 The Supplier must indemnify the Authority, NHS Pensions and any Successor against all Losses arising out of its breach of this Part D of this Schedule 7 and/or the terms of the Direction Letter.

#### 1.11 Subcontractors

1.11.1 If the Supplier enters or has at the Commencement Date entered into a subcontract for delivery of all or part of the Services it will impose obligations on its subcontractor in the same terms as those imposed on the Supplier in relation to Pension Benefits and Premature Retirement Benefits by this Part D of this Schedule 7, including requiring that:

(i) if the Supplier has secured a Direction Letter, the subcontractor also secures a Direction Letter in respect of the Eligible Employees for their future service with the subcontractor as a condition of being awarded the subcontract; or

(ii) if the Supplier has offered the Eligible Employees access to a pension scheme under which the benefits are Broadly Comparable to those provided under the NHS Pension Scheme, the subcontractor either secures a Direction Letter in respect of the Eligible Employees or provides Eligible Employees with access to a scheme with Pension Benefits which are Broadly Comparable to those provided under the NHS Pension Scheme and in either case the option for Eligible Employees to transfer their accrued rights in the Supplier's pension scheme into the subcontractor's Broadly Comparable scheme (or where a Direction Letter is secured by the subcontractor, the NHS Pension Scheme) on the basis set out in Clause 1.6 of Part D of this Schedule 7, except that the Supplier or the subcontractor as agreed between them, must make up any shortfall in the transfer amount received from the Supplier's pension scheme.

#### 1.12 Direct Enforceability by the Eligible Employees

1.12.1 Notwithstanding Clause 30.8 of Schedule 2, the provisions of this Part D of this Schedule 7 may be directly enforced by an Eligible Employee against the Supplier and the Parties agree that the Contracts (Rights of Third Parties) Act 1999 will apply to the extent necessary to ensure that any Eligible Employee will have the right to enforce any obligation owed to him or her by the Supplier under this Part D of this Schedule 7 in his or her own right under section 1(1) of the Contracts (Rights of Third Parties) Act 1999.

1.12.2 Further, the Supplier must ensure that the Contracts (Rights of Third Parties) Act 1999 will apply to any subcontract to the extent necessary to ensure that any Eligible Employee will have the right to enforce any obligation owed to them by the subcontractor in his or her own right under section 1(1) of the Contracts (Rights of Third Parties) Act 1999.

## 1.13 Pensions on Transfer of Employment on Exit

- 1.13.1 In the event of any termination or expiry or partial termination or expiry of this Contract which results in a transfer of the Eligible Employees, the Supplier must (and if offering a Broadly Comparable scheme, must use all reasonable efforts to procure that the trustees or managers of that pension scheme must):
- (i) not adversely affect pension rights accrued by the Eligible Employees in the period ending on the Subsequent Transfer Date;
  - (ii) within thirty (30) Business Days of being requested to do so by the Authority or Successor, (or if the Successor is offering Eligible Employees access to the NHS Pension Scheme, by NHS Pensions), provide a transfer amount calculated in accordance with Clause 1.4 of this Part D of this Schedule 7; and
  - (iii) do all acts and things, and provide all information and access to the Eligible Employees, as may in the reasonable opinion of the Authority be necessary or desirable and to enable the Authority and/or the Successor to achieve the objectives of Fair Deal for Staff Pensions.

## **Schedule 8**

### **Authority Obligations**

1. The Authority will provide appropriate labour and plant to load the Supplier's articulated vehicles with the waste for the Core Activities from Benton Warehouse, Newcastle upon Tyne.
2. The Authority will provide appropriate labour and plant to unload the articulated vehicles with the returned empty pallets, trays and waste receptacles from Benton Warehouse, Newcastle upon Tyne.
3. For sites other than Benton Warehouse, Newcastle upon Tyne the Authority will distribute mixed paper waste stored in boxes or similar to a mutually agreed access/egress point within the facility where the waste is to be collected from.
4. The Authority will endeavour to reduce as much paper waste contamination such as staples, paper clips, clips treasury tags, etc as possible however cannot guarantee that paper waste will be free from such contamination.

## Schedule 9

### **Change Control Process**

1. The Parties shall meet quarterly to review the manner in which the Services are being provided by the Supplier in accordance with this Contract and in accordance with the Specification. The Authority's Contract Manager, or a member of the Authority's Contract Manager's team, together with such other Authority personnel as may be appropriate, will attend the monthly review meetings. As part of such review meetings the Parties will discuss any issues with performance of the Services and steps being taken to address issues identified promptly. As part of such review, the Parties shall work together to identify opportunities for quality improvement and cost efficiency.
2. The Authority may at any time by giving reasonable written notice to the Supplier, in accordance with paragraph 3 below, require the Supplier to undertake any reasonable variation to this Contract. Such a variation may include a variation to omit any part of the Services or to cease to provide any part of the Services or to provide additional Services permanently or during such times and for such periods as the Authority may determine.
3. If the Authority requires a variation as referred to in paragraph 2, it will serve a notice (a "Variation Notice") in the form attached at Annex 1 on the Supplier. The Variation Notice shall set out the variation required in sufficient detail to enable the Supplier to calculate the effect of the variation on the Services and the associated costs and to provide the Variation Response (as defined below). The Variation Notice shall also state the date on which the Authority would propose the variation to become effective (the "Target Date").
4. If the Supplier wishes to propose a variation to the Services it shall submit written notice to the Authority detailing the proposed variation containing the information required in a 'Variation Response' detailed in paragraph 5 below.
5. As soon as reasonably practicable and in any event within ten (10) Business Days of receipt of a Variation Notice, the Supplier shall deliver to the Authority a written notice (a "Variation Response") identifying:-
  - 5.1. the Supplier's calculation of the costs relating to the variation;
  - 5.2. any operational impact on the provision of the Services and any impact on the Supplier's ability to meet its obligations under this Contract
  - 5.3. any amendment required to this Contract as a result of the variation; and
  - 5.4. the steps to be taken before the variation can be implemented and confirmation of whether or not those steps could be implemented by the Target Date;

save where the Supplier is unable to perform the requested variation, in which case the Supplier shall confirm with reasons to the Authority that it is unable to accommodate the variation such reasons to be wholly justified.
6. Upon receipt of a Variation Response the Authority may elect either:

- 6.1. to accept such Variation Response in which case this Contract shall be amended accordingly and the parties shall complete the variation authorised in the form attached at Annex 2; or
  - 6.2. to negotiate the Variation Response with the Supplier; or
  - 6.3. to withdraw the Variation Notice in which case this Contract shall continue in force unchanged in respect of the proposed variation.
7. Until such time as any variation is formally agreed between the Parties in accordance with this Schedule the Supplier will, unless otherwise agreed in writing, continue to perform and be paid as if such variation had not been required. For the avoidance of doubt the Supplier agrees that the preparation of a Variation Response under paragraph 3 will not cause any delay or non-fulfilment in the provision of the Services.
  8. Notwithstanding the provisions of this Schedule 9, and subject to the provisions of paragraphs 9,10, 11 and 12 below, nothing in this Contract shall oblige the Authority to receive any amended Service from the Supplier and the Authority shall be entitled to receive an amended Service from any third party provided always that the Authority shall not enter into any agreement with any third party for the provision of an amended Service unless the Authority has given the Supplier the opportunity to quote for the provision of such amended Service.
  9. If an amended Service is subjected to a tender by a third party or provided to the Authority by a third party the Supplier shall give to any such third party (and to its employees agents and sub-Suppliers) on request such access and all information relating thereto as may be necessary for the purposes of any third party quoting for and/or providing the amended Service provided always that the Supplier shall not be required to provide any information which is confidential or commercially sensitive.
  10. If a change of Law occurs or is shortly to occur which impacts on the provision of the Services (a "Change in Applicable Law") then either Party may write to the other to express an opinion on its likely effects giving details of its opinion on:-
    - 10.1. any necessary change in the Services;
    - 10.2. whether any changes are required to the terms of this Contract to deal with the Change in Applicable Law; and
    - 10.3. any estimated costs that will arise directly from the Change in Applicable Law, in each case giving full details of the procedure for implementing the change in the Services.
  11. As soon as practicable after receipt of any notice from either Party under paragraph 10, the Parties shall meet to discuss and agree the issues referred to in the relevant notice and any ways in which the Supplier can reasonably mitigate the effect of the Change in Applicable Law.
  12. On reaching agreement as to the impact on costs the Contract shall be amended accordingly. In the event the Parties are unable to reach agreement on the costs relating to a variation under paragraph 10, such disagreement shall be dealt with under the Dispute Resolution Procedure but the requesting Party shall be entitled to implement the variation where it is

necessary to do so in the requesting Party's reasonable opinion in order to comply with the change in Law in the interim without waiting for the outcome of the Dispute Resolution Procedure.

13. Notwithstanding the other provisions of this schedule 9, where it is not reasonably practicable for a Party to comply with the provisions of this schedule 9 due to the Change in Applicable Law being implemented in an extremely short timeframe or otherwise constituting an emergency measure, the affected Party shall be relieved of its obligations to comply with this schedule 9 provided that it shall comply with the provisions of this schedule 9 within a reasonable period after the change in Law has occurred.

**Schedule 9  
Annex 1  
Template Variation Notice**

<b>Variation Notice Number</b>	
<b>Variation Notice Title</b>	
<b>Contract No</b>	
<b>Supplier</b>	
<b>Full description of requested variation including target date and proposed changes to the wording of the Contract, if applicable:</b>	
<b>Raised By:</b>	
<b>Signature:</b>	<b>Date:</b>

**Schedule 9  
Annex 2  
Template Variation Authorisation**

<b>Variation Notice Number</b>	
<b>Variation Notice Title</b>	
<b>Contract No</b>	
<b>Supplier</b>	
<b>Full description of the variation to be implemented including:</b>	
<ul style="list-style-type: none"> <li>• Costs</li> <li>• Any operational impact on the provision of the Services and/or the Supplier's ability to meet its obligations under the Contract</li> <li>• Any amendment required to the Contract</li> <li>• Any steps to be taken before the variation can be implemented by the Target Date</li> </ul>	
<b>Signed on behalf of the Authority:</b>	<b>Signed on behalf of the Supplier:</b>
<b>Name:</b>	<b>Name:</b>
<b>Position:</b>	<b>Position:</b>
<b>Date:</b>	<b>Date:</b>

## **Schedule 10**

### **Authority Step in Rights**

#### **Authority Step in Rights**

1 Should the Authority be of the view, acting reasonably, that the Supplier can no longer provide the Services in accordance with this Contract, in accordance with Schedule 2 para 1.11, the Authority may serve notice on the Supplier (a "Step-In Notice") that it will be taking action under this Schedule 10 (Authority Step-in Rights), either itself or with the assistance of a third party.

The Step-In Notice shall set out the following:

- (a) the action the Authority wishes to take and in particular the Services that it wishes to control (the "Required Action");
- (b) the Authority's justification for serving the Step-In Notice and whether it believes that the Required Action is due to the Supplier's default;
- (c) the date on which it wishes to commence the Required Action;
- (d) the time period which it believes will be necessary for the Required Action;
- (e) whether the Authority will require access to the Supplier's premises and/or the Sites; and
- (f) to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Supplier's obligations to provide the Services during the period that the Required Action is being taken.

2. Following service of a Step-In Notice, the Authority shall:

- (a) take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;
- (b) keep records of the Required Action taken and provide information about the Required Action to the Supplier;
- (c) co-operate wherever reasonable with the Supplier in order to enable the Supplier to continue to provide the Services in relation to which the Authority is not assuming control; and
- (d) act reasonably in mitigating the cost that the Supplier will incur as a result of the exercise of the Authority's rights under this Schedule 10.

3 For so long as and to the extent that the Required Action is continuing, then:

- (a) the Supplier shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;

- (b) the parties shall agree any adjustment to payments due under the Contract in light of the Authority's costs of taking the Required Action.
- 4 If the Supplier demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in:
- (a) the degradation of any Services not subject to the Required Action; or
- (b) the non-achievement of a KPI,
- beyond that which would have been the case had the Authority not taken the Required Action, then the Supplier shall be entitled to an agreed adjustment of payments due under this Contract.
- 5 Before ceasing to exercise its step in rights under this Schedule 10 the Authority shall deliver a written notice to the Supplier (a "Step-Out Notice"), specifying:
- (a) the Required Action it has actually taken; and
- (b) the date on which the Authority plans to end the Required Action (the "Step-Out Date") subject to the Authority being satisfied with the Supplier's ability to resume the provision of the Services and the Supplier's plan developed in accordance with paragraph 6 below.
- 6 The Supplier shall, following receipt of a Step-Out Notice and not less than 20 Business Days prior to the Step-Out Date, develop for the Authority's approval a draft plan (a "Step-Out Plan") relating to the resumption by the Supplier of the Services, including any action the Supplier proposes to take to ensure that the affected Services satisfy the requirements of this Agreement.
- 7 If the Authority does not approve the draft Step-Out Plan, the Authority shall inform the Supplier of its reasons for not approving it. The Supplier shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's approval. The Authority shall not withhold or delay its approval of the draft Step-Out Plan unnecessarily.
- 8 The Supplier shall bear its own costs in connection with any step-in by the Authority under this Schedule 10, provided that the Authority shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority:
- (a) in an emergency where the Supplier is not in default of its obligations under this Contract; or
- (b) such other circumstances where the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Supplier's default.]

## Schedule 11

### **Exit Plan**

#### **Purpose of the schedule**

1. The Supplier is required to ensure the orderly transition of the Services from the Supplier to the Authority or any replacement supplier in the event of any termination (including partial termination) or expiry of this Contract. This Schedule sets out the principles of the exit and service transition arrangements which are intended to achieve this and upon which the Exit Plan shall be based.
2. For the avoidance of doubt the Supplier is responsible for the overall management of the exit and service transfer arrangements.

#### **Exit Plan**

3. The Exit Plan shall:-
  - (a) address each of the issues set out in this Schedule 11 to facilitate the transition of the Services from the Supplier to the replacement supplier and/or the Authority and shall ensure that there is no disruption in the supply of the Services and no deterioration in the quality of delivery of the Services;
  - (b) detail how the Services will transfer to the replacement supplier and/or the Authority including details of the proposed transfer of staff, equipment, contracts and information that support the performance of the Services;
  - (c) identify any specific steps that must be undertaken in order to transfer applicable assets, equipment or contracts;
  - (d) specify the scope of the transitional support services that may be required by the Authority;
  - (e) provide a timetable and identify critical issues for carrying out transitional support services; and
  - (f) set out the management arrangements to be put in place and employed during the period immediately prior to termination or expiry.

#### **Registers**

4. The registers shall:
  - 4.1. During the term of the Contract, the Supplier shall create and maintain a register of:-
    - (a) all assets maintained under this Contract;
    - (b) all equipment used in performance of the Services;
    - (c) all Sub-Contracts and other agreements required to perform the Services;
    - (d) all personnel used in performance of the Services;

together "the Registers" and shall at all times keep the Registers up to date and shall maintain copies of any agreements referred to.

- 4.2. At the same time as the Supplier submits a revised Exit Plan, it shall also submit to the Authority up-to-date registers.

**Supplier obligations on exit**

5. The Supplier shall:-
- 5.1. comply with all of its obligations regarding its personnel in accordance with clause 17;
  - 5.2. return to the Authority such of the following as are in the Supplier's possession or control:-
    - (a) all Authority assets and equipment;
    - (b) all materials created by the Supplier under this agreement, the IPRs in which are owned by the Authority;
    - (c) any items that have been on-charged to the Authority, such as consumables;
  - 5.3. vacate any Authority's Premises;
  - 5.4. take such steps as may be necessary to facilitate the legal transfer of any applicable assets, equipment or contracts;
  - 5.5. provide details of work volumes and staffing requirements over the preceding 12 months;
  - 5.6. transfer all training material and providing appropriate training to those Authority and/or replacement supplier staff responsible for internal training in connection with the provision of the Services;
  - 5.7. provide for transfer to the Authority and/or the replacement supplier of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents; and
  - 5.8. answer all reasonable questions from the Authority and/or the replacement supplier regarding the Services.

## **Schedule 12**

### **Key Performance Indicators and Subsidiary Performance Indicators**

- 1 The parties acknowledge and agree that in the event of certain relevant, appropriate, distinct and defined situations where the Supplier has failed to comply with the applicable Key Performance Indicators (KPIs) and Subsidiary Performance Indicators (SPIs) specified in Annex 1 and 2 to this Schedule 12 a review, escalation and remedial process may result.
- 2 The Supplier shall proactively monitor its performance against the KPIs and SPIs and notify the Authority of any Performance Failure (being a failure to meet a KPI Target Performance Level or an SPI Target Performance Level). The Authority may itself identify any Performance Failure and notify the Supplier.
- 3 The Supplier shall deliver the Services in a manner which meets the SPI Target Performance Levels.
- 4 The Supplier shall deliver the Services in a manner which meets the KPI Target Performance Levels and provide Management Information (MI) to demonstrate its Performance Level on a monthly basis.
  - 4.1 The Supplier shall notify the Authority immediately of any KPI Failure (being a failure to meet a KPI Target performance Level), and, in respect of any Serious KPI Failure, Severe KPI Failure or breach of the Service Threshold, shall provide details of any plans to rectify such failure including timescales for rectification.
  - 4.2 The Supplier will not apply a Service Credit where there has been a failure by the Supplier to achieve a KPI Target performance Level where the reason for such failure to meet its obligations as detailed in this Contract is due to the act or omission of the Authority or its agents or sub-contractors.
  - 4.3 The Supplier may, acting reasonably identify those KPI Failures and related Service Credits it believes were caused by the Authority or its agents or sub-contractors or where the Supplier's approach in respect of the KPI Failure substantially mitigated the impact of such failure. The Authority may in its absolute discretion require that the Service Credits be applied and/or that they are not. The Parties agree that the application of Service Credits shall be confirmed in the relevant monthly invoice..
- 5 Nothing in this schedule will prevent the Authority from exercising its common law remedies in respect of failure by the Supplier to perform the Services in accordance with the terms of this Contract and/or for breach of contract.

6.0 The following formula will apply in the calculation of Service Credits and the worked example is for clarity only:

Worked Example (for illustrative purposes only)

6.1 Percentage Based Service Credits have been calculated and modelled as:

$$(((A - B) \times C) \times D) \times E$$

Where:

A is KPI Target performance percentage level

B is Actual performance percentage level

C is Operating Service Level value

D is KPI Weighting

E is financial value of an individual Service Credit

Example of % based Service Credit

KPI _X	100%	Actual Performance percentage level	Operating Service Level value		4
		Minor failure - Equal or more than 99% and less than 100%	1		
		Serious failure - Equal or more than 98% and less than 98.9%	2		
		Severe failure - Equal or more than 97% and less than 97.9%	3		
		KPI Service Threshold - Equal or less than 96.9%	4		

If Actual performance levels equal 98% - (Serious Failure) for a month and the individual Service Credit financial value is £5

$$\begin{aligned}
100 - 98 &= 2 \\
2 \times 2 &= 4 \\
4 \times 4 &= 16 \\
16 \times \text{£}5 &= \text{£}80
\end{aligned}$$

6.2 Calculation of financial value of 'by exception' based Service Credits:

$$(((A - B) \times C) \times D) \times E$$

Where:

A is Actual performance failure level

B is KPI Target performance level

C is Operating Service Level value

D is KPI Weighting

E is financial value of an individual Service Credit

Example of 'by exception' based Service Credit

KPI No	KPI Target performance level	Operating Service Level		KPI Weighting
		Actual Performance failure level	Operating Service Level value	
KPI_Y	0 exceptions	Minor failure - 1 exception	1	2
		Serious failure - 2 exceptions	2	
		Severe failure - 3 exceptions	3	
		KPI Service Threshold - 4 or more exceptions	4	

If Actual performance levels equal 2 - Serious Failure for a month and the individual Service Credit financial value is £5

$$\begin{aligned}
2 - 0 &= 2 \\
2 \times 2 &= 4 \\
4 \times 2 &= 8 \\
16 \times \text{£}5 &= \text{£}80
\end{aligned}$$

### End of Worked Example

#### 6.3 Repeat KPI failure multiplier

If an individual KPI does not achieve the target performance level (which constitutes a KPI failure) in consecutive months, (month on month) the financial value of the Service Credit applicable to that individual KPI will be multiplied by a factor of two in the consecutive month that the target performance level is not met.

#### 6.4 Individual Service Credit Financial Value

The financial value of an individual Service Credit for KPIs 1 - 5 will be £5.00

The financial value of an individual Service Credit for KPI 6 will be £50.00

#### 6.5 Service Credit financial Value Cap

The Authority has calculated that £6,420 is potentially 10% of the lower threshold of the estimated annual revenue of the opportunity being awarded under this contract. Therefore the financial value of the Service Credits will be capped at £3,210; over a rolling six month period.

In the event that Service Credits are incurred a debtors invoice will be created and submitted to the Supplier.

#### 6.6 Service Performance Thresholds for KPIs and SPIs:

For each KPI and the majority of SPIs there will be a service threshold, and in the event that the service performance falls below those thresholds contractual remedies will be triggered. For each KPI that threshold is Operating Service Level (OSL) 4 and for the SPIs this is separately set out against each performance target.

#### Key Performance Indicators:

<b>KPI No</b>	<b>Target Performance Level</b>	<b>KPI Service Threshold (OSL 4)</b>
1	100%	Below 85%
2	0 instances	4 instances
3	100%	Below 97%
4	100%	Below 85%
5	100%	Below 100%
6	100%	Below 100%

Subsidiary Performance Indicators:

SPI No	Target Performance Level	SPI Service Threshold
1	0 instances	4 instances
2	100%	25%
3	0 instances	4 instances
4	0 instances	4 instances
5	0 instances	-
6	100%	-

6.7 The Authority has the ability to change the KPI's to SPI's and SPI's to KPI's once in a Contract Year.

6.8 Types of KPI failure triggering contractual remedy

Each of the following failure types would trigger contractual remedy:

- **Unacceptable Key Performance Indicator Failure:**
  - This is where the Supplier fails to achieve the lowest level of performance (the KPI Service Threshold) for 50% or more of the KPIs measured in any one Service Period.
- **Material Key Performance Indicator Failure:**
  - This is where there has been a Serious KPI Failure, a Severe KPI Failure or a KPI Service Threshold has not been met.
- **Material Subsidiary Performance Indicator Failure:**
  - This is where there has been a failure by the Supplier to meet the SPI Service Threshold in respect of 25% or more of the Subsidiary Performance Indicators that are measured in that Service Period; and/or
  - The Supplier fails to meet the Target Performance Level in respect of 50% or more of the Subsidiary Performance Indicators that are measured in that Service Period.
- **Critical Key Performance Indicator Failure:**
  - This is where cumulative performance has become intolerable:
    - Where the Supplier accrues in aggregate 900 service credits in any period of 6 months
    - The Supplier accrues Service Credits for unacceptable KPI failure which meet or exceed the Service Credit Cap.

6.9 The relevant commercial remedies are as follows:

<b>Remedies</b>	<b>Unacceptable KPI failure</b>	<b>Material Performance Indicator Failure</b>	<b>Critical Performance Failure</b>
Remedial Proposal (Schedule 2 Clause 15.3)	✓	✓	✓
Step in Rights (Schedule 10)			✓
Termination (Schedule 2 Clause 15)		✓	✓
Dispute Resolution (Schedule 2 Clause 22)	✓	✓	✓

**Annex 1**  
**KPIs**

KPI Reference	Definition / Description	Method of Measurement	Target Performance Level	KPI Weighting	Severity Levels (Performance Level)	Operation Service Levels (OSL)
KPI_1 Core Service	<p><b>The Supplier shall ensure the monthly collections of 100% of palletised confidential paper from Authority's Benton Warehouse (Core Service ) must be made in accordance with the Collection Schedule which is to be agreed 5 working days prior to month end for the subsequent month. Each date shall be within the first 2 weeks of the calendar month.</b></p> <p><i>Purpose: To ensure that all paper waste is collected from the warehouse on schedule to avoid storage space issues within the warehouse.</i></p>	<p>% collected =</p> <p><i>(No. of pallets actually collected within the agreed Collection Schedule in the reporting month / No. of pallets available for collection in the reporting month) x 100</i></p>	<b>100%</b>	<b>4</b>	<p><b>Minor Failure = 99.99% to 95.00%</b>  <b>Serious Failure = 94.99% to 90.00%</b>  <b>Severe Failure = 89.99% to 85.00%</b>  <b>KPI Service Threshold = Below 85%</b></p>	<p><b>Minor Failure = OSL 1</b>  <b>Serious Failure = OSL 2</b>  <b>Severe Failure = OSL 3</b>  <b>KPI Service Threshold = OSL 4</b></p>
KPI_2 Core Service	<p><b>The Supplier shall ensure that all collection vehicles must arrive at the Authority's Benton Warehouse on the date agreed in the Collection Schedule, (which is to be agreed 5 working days prior month end for the subsequent month), between 8am and 12 noon on the scheduled day of collection and be removed from site on the same working day (by 4pm).</b></p> <p><i>Purpose: To ensure vehicles arrive on planned days and arrival allows sufficient time for the vehicle to be loaded and leave the warehouse site on the same working day.</i></p>	<p><i>By Exception</i></p> <p><i>No. of instances of failure to collect on the date scheduled, between 8am and 12 noon and removed from site on the same working day (by 4pm) during the reporting month.</i></p>	<b>0 instances</b>	<b>2</b>	<p><b>Minor Failure = 1 instance</b>  <b>Serious Failure = 2 instances</b>  <b>Severe Failure = 3 instances</b>  <b>KPI Service Threshold = 4 or more instances</b></p>	<p><b>Minor Failure = OSL 1</b>  <b>Serious Failure = OSL 2</b>  <b>Severe Failure = OSL 3</b>  <b>KPI Service Threshold = OSL 4</b></p>
KPI_3 Core Service	<p><b>The Supplier shall ensure the monthly secure destruction of 100% of all confidential paper waste within one working day of receipt at the Suppliers facility following collection from NHSBSA Warehouse.</b></p> <p><i>Purpose: To ensure that documentation is securely destroyed within one working day in accordance with BSEN15713:2009 at the earliest opportunity reducing risk of data breach.</i></p>	<p>% destroyed within one working day of receipt at the Suppliers facility =</p> <p><i>(number of pallets &amp; receptacles of confidential waste paper destroyed within one working day of receipt at the Supplier's Facility in the reporting month / total pallets &amp; receptacles of confidential waste paper available for destruction in the reporting month) x 100</i></p>	<b>100%</b>	<b>2</b>	<p><b>Minor Failure = 99.99% to 99.00%</b>  <b>Serious Failure = 98.99% to 98.00%</b>  <b>Severe Failure = 97.99% to 97.00%</b>  <b>KPI Service Threshold = Below 97.00%</b></p>	<p><b>Minor Failure = OSL 1</b>  <b>Serious Failure = OSL 2</b>  <b>Severe Failure = OSL 3</b>  <b>KPI Service Threshold = OSL 4</b></p>
KPI_4 Core Service	<p><b>The Supplier shall ensure the return of all empty plastic trays to the Authority's Benton Warehouse by the 3rd working day following the Collection date as per the Collection Schedule</b></p> <p><i>Purpose : To ensure that there are sufficient trays available at the Authority's Benton Warehouse for the storage of paper waste.</i></p>	<p>% return =</p> <p><i>(No. of trays collected in month / No. of empty trays returned within 3 days of collection) x 100</i></p>	<b>100%</b>	<b>1</b>	<p><b>Minor Failure = 99.00% to 95.00%</b>  <b>Serious Failure = 94.99% to 90.00%</b>  <b>Severe Failure = 89.99% to 85.00%</b>  <b>KPI Service Threshold = Below 85.00%</b></p>	<p><b>Minor Failure = OSL 1</b>  <b>Serious Failure = OSL 2</b>  <b>Severe Failure = OSL 3</b>  <b>KPI Service Threshold = OSL 4</b></p>
KPI_5 Core Service & Ad Hoc / Addtl Service when applicable	<p><b>The Supplier shall ensure they provide Certificates of Destruction for all waste collected and destroyed. All certification for the collections carried out in the reporting month to be provided by the end of the following month and must be itemised to each pallet / receptacle.</b></p> <p><i>Purpose: To ensure that appropriate documentation is provided to ensure that the Authority can maintain Information Governance compliance / no data breaches together with ISO14001 compliance.</i></p>	<p>% collected =</p> <p><i>(No. of pallets or receptacles collected in the reporting month identified in an itemised Certificate of Destruction provided by the end of the following month/ No. of pallets or receptacles collected in the reporting month) x 100</i></p>	<b>100%</b>	<b>4</b>	<p><b>Minor Failure = N/A</b>  <b>Serious Failure = N/A</b>  <b>Severe Failure = N/A</b>  <b>KPI Service Threshold = Below 100%</b></p>	<p><b>Minor Failure = OSL 1</b>  <b>Serious Failure = OSL 2</b>  <b>Severe Failure = OSL 3</b>  <b>KPI Service Threshold = OSL 4</b></p>

<p>KPI_6</p> <p>Core Service &amp; Ad Hoc / Addtl Service when applicable</p>	<p><b>The Supplier shall shred waste paper to ensure compliance with the Specification so that the shred size is no greater than 16mm strips.</b></p> <p><i>Purpose : To ensure that all shredded waste is compliant with the Specification and BSEN15713:2009 and waste is no greater than 16mm shred widths to reduce risk a breach in Data Protection</i></p>	<p><i>By Exception</i></p> <p><i>No. of prescriptions not shredded to a shred size no greater than 16mm strips in the reporting month.</i></p>	<p><b>0 instances</b></p>	<p><b>1</b></p>	<p>Minor Failure = N/A          Serious Failure = N/A          Severe Failure = N/A  <b>KPI Service Threshold = 1 or more instances</b></p>	<p>Minor Failure = OSL 1          Serious Failure = OSL 2          Severe Failure = OSL 3  <b>KPI Service Threshold = OSL 4</b></p>
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**Annex 2**  
**SPI's**

SPI Reference	Definition / Description	Method of Measurement	Target Performance Level	Service Threshold
SPI_1 Core Service	<b>The Supplier shall ensure all collections of mixed confidential paper material held in 500l closed receptacles (Core Service) from Authority's Benton Warehouse shall be made in accordance with the Collection Schedule which is to be agreed 5 working days prior to month end for the subsequent month. Each scheduled date shall be within the first 2 weeks of the calendar month.</b>  <i>Purpose: To ensure that all waste held in 500l receptacles is collected from the warehouse on schedule.</i>	<i>Target: 0 collections of mixed confidential paper material made outside of the agreed Collection Schedule in each reporting month.</i>  <i>By Exception,</i>  <i>The total number of mixed confidential paper materials receptacles collected outside of the agreed Collection Schedule in the reporting month.</i>	<b>0</b>	4 instances
SPI_2 Core Service	<b>The Supplier shall ensure the provision of 20 empty 500l closable receptacles per month.</b>  <i>Purpose: To ensure that there are closable receptacles available at the NHSBSA Warehouse for the storage of mixed paper waste.</i>	<i>Target 100% of required 500l closable receptacles to be delivered to the Authority each month.</i>  <i>% of required 500l closable receptacles provided during the reporting month =</i>  <i>(Volume of 500l closable receptacles provided during the reporting month / Volume of 500l closable receptacles required during the reporting month) x 100</i>	<b>100%</b>	25%
SPI_3 Core Service	<b>The Supplier shall ensure that all collections of mixed confidential media and plastic cards waste held in closed receptacles from Authority's Benton Warehouse shall be made in accordance with the Collection Schedule.</b>  <i>Purpose: To ensure that all mixed media waste (electronic media / plastic cards etc) is collected from the warehouse on schedule.</i>	<i>Target: 0 collections of mixed confidential media material (discs / plastic cards etc) made outside of the agreed collection schedule in each reporting month.</i>  <i>By Exception,</i>  <i>The total number of mixed confidential media materials (electronic media / plastic cards etc) receptacles collected outside of the agreed collection schedule in the reporting month.</i>	<b>0</b>	4
SPI_4 Core Service	<b>The Supplier shall ensure the secure destruction of all confidential media and plastic cards waste within one working day of receipt at the Suppliers Facility following collection from Authority's Benton Warehouse. (each date will fall within the first 2 weeks of the calendar month).</b>  <i>Purpose: To ensure that confidential media (electronic media, plastic cards etc) is securely destroyed at the earliest opportunity reducing risk of data breach.</i>	<i>Target: 0 collections of confidential plastic cards and electronic media waste destroyed outside one working day from receipt at the Supplier's Facility.</i>  <i>By Exception,</i>  <i>The total number of confidential plastic cards and electronic media waste receptacles destroyed outside one working day from receipt at the Supplier's Facility.</i>	<b>0</b>	4
SPI_5 Addtl Ad hoc requirements	<b>The Supplier shall ensure that all collections of confidential bulk paper waste requiring collection from elsewhere in the Authority's UK estate are made in accordance with the Collection Schedule (dates to be agreed at least [5] working days prior to required collection date).</b>  <i>Purpose: To ensure that any additional bulk waste disposal is collected from the Authority's UK estate are made in a timely manner.</i>	<i>Target: 0 collections of confidential paper material made outside of the agreed collection date when requested.</i>  <i>By Exception,</i>  <i>The total number of mixed confidential paper materials receptacles collected outside of the agreed Collection Schedule in the reporting month.</i>	<b>0</b>	N/A
SPI_6 Addtl Ad hoc requirements	<b>The Supplier shall ensure the secure destruction of 100% of all ad hoc confidential paper waste within one working day of receipt at the Suppliers facility following collection from the relevant Authority's UK facility .</b>  <i>Purpose: To ensure that documentation is securely destroyed at the earliest opportunity reducing risk of data breach.</i>	<i>% destroyed within one working day from receipt at the Suppliers facility =</i>  <i>(number of receptacles of confidential paper waste actually destroyed within one working day from receipt at the Supplier's Facility in the reporting month / total receptacles of confidential paper waste available for destruction in the reporting month) x 100</i>	<b>100%</b>	N/A