



SPECIFICATION

for

TREATMENT OF DRY MIXED RECYCLING (DMR)

between

RUTLAND COUNTY COUNCIL DISTRICT COUNCIL
of Catmose, Oakham, Rutland, LE15 6HP (“the Council”)

and

CONTRACTOR NAME

whose registered address is at

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

(“the Contractor”)

Services Commencement Date: **XX.XX.XXXX**

Expiry Date: 31 March 2020

Dated 20**XX**

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION

SCHEDULES

1	BESPOKE DEFINITIONS	3
2	SERVICE REQUIREMENTS	8
3	PERFORMANCE MANAGEMENT FRAMEWORK	15
4	PAYMENT MECHANISM	18
5	REPORTING REQUIREMENTS	22

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 1: BESPOKE DEFINITIONS

- 1 In this Agreement the following bespoke definitions shall have the following meanings:

Annual Report	the reports to be submitted by the Contractor in accordance with clause 7 of Specification schedule 5 (Reporting Requirements)
Contingency Delivery Point	a facility, provided by the Contractor, to which the Council's DMR will be diverted, in the event that it cannot be received and accepted at the Primary Delivery Point, being [insert via Tender Response Document]
Contract Year	a period of twelve (12) Months commencing on 1 April, provided that the first Contract Year may be a 'part year' commencing on the Services Commencement Date and ending on the subsequent 31 March
Delivery Point	either the Primary Delivery Point or the Contingency Delivery Point
Dry Mixed Recycling (DMR)	co-mingled recyclate material collected from the kerbside by the Council's Waste Collection Contractor, excluding that collected on the Farms and Lodges Round
End Destination	any Further Treatment Facility at which any fraction of the Council's DMR, or part thereof, is deemed to cease to be a waste material, or where there is deemed to be 'process loss', in accordance with clause 4.7 of Specification schedule 2 (Service Requirements)
Energy from Waste (EfW)	the treatment of waste by mass burn incineration with energy recovery
Farms and Lodges Round	a small number of properties receiving kerbside collections from a specialist small refuse collection vehicle
Fines	residue materials generated during the process of sorting Target Recyclable Materials

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 1: BESPOKE DEFINITIONS

Further Treatment Facility	any facility to which the Contractor consigns: <ul style="list-style-type: none"> a. sorted fractions of the Council’s DMR after the initial treatment (i.e. sorting) thereof; or b. Fines; or c. Pre-sort Residues
Green Waste	compostable organic waste from gardens, such as branches, cut flowers, grass cuttings, hedge, shrub and tree cuttings/prunings, leaves, weeds and windfall fruit
Indexation Factor	the annual mechanism to be applied to index the costs of this Agreement, calculated in accordance with clause 2 of Specification schedule 4 (Payment Mechanism)
Key Performance Indicators (KPIs)	the indicators by which the Contractor’s performance in the delivery of the Services shall be monitored and assessed, in accordance with appendix 1 to Specification schedule 3 (Performance Management Framework)
Materials Recovery Facility (MRF)	a facility used to sort co-mingled collected recyclables into various fractions
Monthly Payment	the payment due to the Contractor and payable by the Council for each relevant calendar month, calculated in accordance with Specification schedule 4 (Payment Mechanism)
Monthly Report	the reports to be submitted by the Contractor in accordance with clause 2 to 6 of Specification schedule 5 (Reporting Requirements) inclusive
Performance Deductions	the monetary value of Performance Points, to be deducted from the Monthly Payment, as calculated in accordance with Specification schedule 4 (Payment Mechanism)

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 1: BESPOKE DEFINITIONS

Performance Failure	a Performance Issue which the Contractor does not Resolve within the required Resolution Period in accordance with Specification schedule 3 (Performance Management Framework) or an example whereby it is identified that the Contractor has failed to deliver the Services or has failed to deliver the Services to the required standard, including with regards to reporting requirements in accordance with Specification schedule 5 (Reporting Requirements) and where this cannot be addressed (Rectified) in accordance with Specification schedule 3 (Performance Management Framework)
Performance Issue	an example whereby it is identified that the Contractor has failed to deliver the Services or has failed to deliver the Services to the required standard, including with regards to reporting requirements in accordance with Specification schedule 5 (Reporting Requirements) and where this can be addressed (Resolved) in accordance with Specification schedule 3 (Performance Management Framework)
Performance Points	penalty points allocated to the Contractor for each Performance Failure as set out in appendix 1 to Specification schedule 3 (Performance Management Framework)
Pre-sort Residue	as per clause 2.5 of Specification schedule 2 (Service Requirements)
Primary Delivery Point	the main facility, provided by the Contractor, to which the Council's DMR shall usually be delivered, being [insert via Tender Response Document]
Quarantined Load	a load of the Council's DMR which is deemed to have a proportion of Pre-sort Residue materials above 32%, in accordance with clause 4.5 of Specification schedule 2 (Service Requirements)

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 1: BESPOKE DEFINITIONS

Quarantined Load Report	a report to be submitted by the Contractor to the Council in the event of a load of the Council's DMR being deemed to be a Quarantined Load, in accordance with clause 4.5 of Specification schedule 2 (Service Requirements)
Rectify	suitable actions required of or undertaken by the Contractor in order to address a Performance Failure in accordance with Specification schedule 3 (Performance Management Framework)
Rectification Period	the timescale in which the Contractor must Rectify a Performance Failure in accordance with Specification schedule 3 (Performance Management Framework)
Refuse Derived Fuel (RDF)	a fuel derived from waste by the process of shredding and dehydration
Repeated Failure Period	the rolling period of time during which multiple Performance Failures have been active against a specific KPI, as detailed in appendix 1 to Specification schedule 3 (Performance Management Framework), resulting in the multiplication of Performance Points in accordance with clause 5 of Specification schedule 3 (Performance Management Framework)
Residual Waste	currently non-recyclable materials collected from the kerbside by the Council's Waste Collection Contractor, with the intention that it will be sent for incineration with energy recovery
Resolve	suitable actions required of or undertaken by the Contractor in order to address a Performance Issue in accordance with Specification schedule 3 (Performance Management Framework)
Resolution Period	the timescale in which the Contractor must Resolve a Performance Issue in accordance with Specification schedule 3 (Performance Management Framework)

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 1: BESPOKE DEFINITIONS

Secondary Facility	a facility used for the initial treatment (i.e. sorting) of the Council's DMR in the event that the Primary Delivery Point is only used for bulking this material for onward haulage
Target Recyclable Materials	as per clause 2.4 of Specification schedule 2 (Service Requirements)
Turnaround Time	the time lapse between the recording of the gross weight on an entry weighbridge and the tare weight on an exit weighbridge
Waste Electrical and Electronic Equipment (WEEE)	as defined under the Waste Electrical and Electronic (WEEE) Regulations
Waste Collection Contractor	the Contractor commissioned by the Council to perform waste collection duties

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

1 INTRODUCTION

This Specification schedule 2 (Service Requirements) details the general requirements and the minimum standards that the Contractor shall meet, in relation to the delivery of the Services.

2 THE COUNCIL'S DMR COLLECTIONS

- 2.1 The Council's Waste Collection Contractor collects co-mingled recyclate from all Rutland households. The majority of collections are from 240litre wheeled bins, with some collections being from larger/communal bins and a very small number of collections being bagged. These collections also incorporate a small number of 'commercial' and 'schedule 2' properties. For the purpose of this Agreement, all such co-mingled recyclate, except for that collected from a small number of properties on what is referred to as the 'Farms and Lodges Round', is defined as the Council's Dry Mixed Recycling (DMR). Co-mingled recyclate collected on the Farms and Lodges Round shall not be dealt with under this Agreement.
- 2.2 The Council's DMR collections are on alternate weeks to collections of Residual Waste, so the Contractor should expect 'on weeks' and 'off weeks' in terms of the Council's DMR waste flows.
- 2.3 The DMR will be directly delivered to the Delivery Points in standard refuse collection vehicles, with the DMR being subject to compaction.
- 2.4 The Council's DMR material consists of the following Target Recyclable Materials, which will be further categorised into fractions (detailed in appendix 1 to Specification schedule 4 (Payment Mechanism)) as the material is processed:
- a. aerosol cans;
 - b. aluminium foil;
 - c. batteries, household;
 - d. cardboard;
 - e. cans and tins, drink and food, mixed ferrous and non-ferrous;
 - f. glass bottles and jars, mixed;
 - g. magazines, newspapers and pamphlets;
 - h. paper, mixed, including catalogues, envelopes, mail, telephone directories and Yellow Pages;
 - i. plastic bottles, mixed;
 - j. plastic film; and
 - k. Tetrapak.
- 2.5 Materials excluded from the Council's DMR material, which will be considered Pre-sort Residue, are:

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

- a. black plastic;
- b. Green Waste;
- c. food waste;
- d. nappies;
- e. other organic waste;
- f. textiles;
- g. Waste Electrical and Electronic Equipment (WEEE); and
- h. any other materials not referenced under clause 2.4 of this Specification schedule 2 (Service Requirements).

3 RECEIPT AND ACCEPTANCE OF THE COUNCIL'S DMR

- 3.1 The Contractor shall receive and accept the Council's Dry Mixed Recycling (DMR) at a designated Primary Delivery Point. This may be a Materials Recovery Facility (MRF) where the initial treatment (i.e. sorting) of the DMR shall occur, or this may be a facility where this DMR will be bulked up for onward haulage to a Secondary Facility where the initial treatment (i.e. sorting) of the DMR shall occur.
- 3.2 The Contractor shall also provide for a Contingency Delivery Point, to which the Council's DMR will be diverted, for receipt and acceptance, in the event that, for any reason, the Contractor cannot receive and accept the same at the Primary Delivery Point. Such diversions shall be utilised for planned and unplanned maintenance as well as for other unforeseen circumstances.
- 3.3 In the event that the Contractor has a capacity issue at the Primary Delivery Point, either in terms of receiving DMR (i.e. into a reception/tipping area) or processing DMR, the Contractor shall divert out third party commercial waste before diverting the Council's DMR to the Contingency Delivery Point.
- 3.4 In the event that the Council's DMR is to be diverted to the Contingency Delivery Point, the Contractor shall, before the diversion is initiated, inform the Authorised Officer and a nominee of the Council's Waste Collection Contractor of:
 - a. the reason for the diversion; and
 - b. the expected duration of the diversion.
- 3.5 During all periods of diversion to the Contingency Delivery Point, the Contractor shall keep the Authorised Officer and a nominee of the Council's Waste Collection Contractor informed regarding the Contractor's progress with efforts to end that diversion and recommence the receipt and acceptance of the Council's DMR at the Primary Delivery Point. The required frequency of such updates shall depend on the nature and likely duration of each diversion and will be subject to the approval of the Authorised Officer.

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

- 3.6 All Delivery Points must be available to receive and accept the Council's DMR every day including bank holidays, except for Christmas Day, Boxing Day and New Years Day, on:
- a. Monday to Friday, 07:00 to 17:00; and
 - b. Saturdays, 08:00 to 15:00.
- 3.7 Receipt of all the DMR at any Delivery Point shall be across a suitable weighbridge, which shall be calibrated at least every 12 months. The Contractor shall supply to the Authorised Officer copies of all relevant weighbridge calibration certificates.
- 3.8 The Contractor shall maintain suitable operational procedures so as to minimise the Turnaround Times of the Council's Waste Collection Contractor's delivery vehicles and shall endeavour to maintain:
- a. a maximum Turnaround Time of 40 minutes; and
 - b. a daily average Turnaround Time of 15 minutes.
- 3.9 In the event that a vehicle delivering the Council's DMR suffers a mechanical failure on or between the entry weighbridge and the exit weighbridge, this shall be excluded from all relevant Turnaround Time calculations.
- 3.10 The Contractor shall ensure that the Council's Waste Collection Contractor's delivery vehicles are given priority over bulk haulage vehicles and all third party commercial waste deliveries.
- 3.11 For each load of the Council's DMR received and accepted, the Contractor shall provide a weighbridge ticket, which clearly identifies:
- a. the date;
 - b. the time on the entry weighbridge;
 - c. the time on the exit weighbridge;
 - d. the material type;
 - e. the vehicle registration number;
 - f. the vehicle type;
 - g. the name of the driver;
 - h. the gross weight;
 - i. the tare weight; and
 - j. the net weight.
- 3.12 The Contractor shall ensure that every weighbridge ticket is signed by the relevant driver, whom shall then be given the original copy.
- 3.13 Increases and decreases in tonnages of the Council's DMR are a Contractor risk where these are the result of:
- a. growth in housing and/or the population within Rutland; or

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

- b. other factors outside of the Council's control, such as regional, national and global economic factors.
- 3.14 Increases and decreases in tonnages of the Council's DMR are a Council risk where these are the result of a Council-led service change, which shall require a variation to this Agreement in accordance with clause 32.
- 3.15 Increases and decreases in tonnages of the Council's DMR that are the result of a Change in Law shall be dealt with in accordance with clause 33.
- 3.16 Natural fluctuations in the composition of the Council's DMR and/or in the composition of the Target Recyclable Materials shall be a Contractor risk.
- 3.17 Fluctuations in the composition of the Council's DMR and/or in the composition of the Target Recyclable Materials shall be a Council risk where these are the result of a Council-led service change, which shall require a variation to this Agreement in accordance with clause 32.
- 3.18 Fluctuations in the composition of the Council's DMR and/or in the composition of the Target Recyclable Materials that are the result of a Change in Law shall be dealt with in accordance with clause 33.

4 DMR TREATMENT

- 4.1 The Contractor shall not reject any loads of the Council's DMR 'at the gate' (i.e. prior to the load being ejected (tipped) from the delivering vehicle).
- 4.2 The Contractor shall direct all loads of the Council's DMR to a designated reception/tipping area, where a Contractor Employee shall direct the driver to eject (tip) the material into a defined area, enabling a Contractor Employee to assess the quality and composition of the load. Once the DMR has been tipped from the delivering vehicle, it shall be deemed to be in the ownership of the Contractor.
- 4.3 The Contractor shall grade each ejected (tipped) load of the Council's DMR, based on the proportion of any Pre-sort Residue, in accordance with table 4.3 below:

TABLE 4.3 DMR GRADES

Grade	Pre-sort Residue range
A	0.00 – 9.00%
B	9.01 – 20.00%
C	20.01 – 32.00%
D	32.01 – 50.00%
E	50.01% plus

- 4.4 For any loads of the Council's DMR graded 'A' to 'C', the Contractor shall segregate the Pre-sort Residue materials prior to the main proportion of these loads, i.e. the

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

Target Recyclable Materials, being sorted. The Contractor shall consign all Pre-sort Residues to a suitable form of waste treatment and it shall be a Contractor responsibility to ensure that such consignments meet the waste acceptance criteria of the relevant facility. Any facility to which Pre-sort Residues are consigned shall be deemed to be a Further Treatment Facility.

- 4.5 Any loads of the Council's DMR graded 'D' or 'E' will be deemed to contain too high a proportion of Pre-sort Residue materials and the entire load shall be deemed to be a Quarantined Load. For each Quarantined Load, the Contractor shall prepare a Quarantined Load Report for submission to the Authorised Officer, detailing the volume and nature of the contaminant material, along with photographic evidence. The Authorised Officer will have a maximum of one (1) Business Day following the receipt of a Quarantined Load Report, to inspect the Quarantined Load, after which time the Contractor shall consign the Quarantined Load to a suitable form of waste treatment. In such instances, the entire Quarantined Load tonnage will be categorised as Pre-sort Residue. Should the Authorised Officer deem that inspection of a Quarantined Load is not required, they shall inform the Contractor as soon as this decision is arrived at, such that the removal of the Quarantined Load shall not be unnecessarily delayed.
- 4.6 The Contractor shall sort all the Target Recyclable Materials into various fractions, as detailed in appendix 1 to Specification schedule 4 (Payment Mechanism) and ensure that each fraction is subsequently forwarded on to a Further Treatment Facility or a series of Further Treatment Facilities, until such time as the relevant fraction, or part thereof, ceases to be a waste material.
- 4.7 The Further Treatment Facility at which any fraction of the Council's DMR is deemed to cease to be a waste material, or where there is deemed to be 'process loss', will be referred to as an End Destination.
- 4.8 During the process of sorting the Target Recyclable Materials, some residue materials, referred to as 'Fines', will be generated. The Contractor shall consign all Fines to a suitable form of waste treatment. Any facility to which Fines are consigned shall be deemed to be a Further Treatment Facility.

5 DUTY OF CARE

- 5.1 The Contractor shall ensure that all the Delivery Points, all/any Secondary Facilities and all Further Treatment Facilities utilised in the delivery of the Services have a current suitable environmental permit and a current suitable planning permission.

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

- 5.2 The Contractor shall indicate to the Council the anticipated waste movements and waste flows between all Delivery Points, all/any Secondary Facilities and all Further Treatment Facilities and shall update these anticipated waste movements and waste flows at a suitable frequency as agreed with the Authorised Officer and following any significant change.
- 5.3 The Contractor shall meet its reporting requirements direct with all relevant government bodies and regulators, including but not limited to, reporting on sampling and composition tests required under the Environmental Permitting (England and Wales) (Amendment) Regulations 2014.

6 INNOVATION AND ADDED VALUE

- 6.1 The Contractor is encouraged to present to the Council, between the award of the contract and at all times throughout the Contract Period, ideas, proposals and suggestions that are innovative and/or value adding. Examples may include the use of new/smart technology.
- 6.2 For the avoidance of doubt, innovation and added value proposals made by the Contractor as part of its Tender will be deemed to be a commitment, should the Authorised Officer choose to take these up.

7 SOCIAL IMPACT AND PROSPERITY

- 7.1 The Contractor is encouraged to present to the Council, between the award of the contract and at all times throughout the Contract Period, ideas, proposals and suggestions that will afford a positive social impact and/or prosperity benefits related to the local economy. Examples may include:
- a. the provision of employment opportunities including apprenticeship schemes;
 - b. a commitment to recruitment advertising that has a local focus;
 - c. working with local charities, community groups and not-for-profit organisations;
 - d. providing opportunities for local people to develop skills and employment prospects, such as attending training courses, particularly with regards to vulnerable members of the community; or
 - e. providing opportunities for local people who are long-term unemployed to re-enter employment.
- 7.2 For the avoidance of doubt, social impact and prosperity proposals made by the Contractor as part of its Tender will be deemed to be a commitment, should the Authorised Officer choose to take these up.

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 2: SERVICE REQUIREMENTS

7.3 The Contractor shall as a minimum comply with any Council policy on social impact and prosperity as may be drafted and as may be amended at any time.

8 CONTRACT MEETINGS

8.1 The Contractor shall ensure that appropriate Contractor Employees are available to attend regular contract meetings with the Council. These may be six monthly, quarterly or monthly as agreed between the Contract Manager and the Authorised Officer.

8.2 The Contractor shall ensure that appropriate Contractor Employees are available to attend ad-hoc contract meetings as and when required to address any specific issues.

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 3: PERFORMANCE MANAGEMENT FRAMEWORK

1 PERFORMANCE

- 1.1 The performance of the Contractor shall be subject to monitoring against 6 (six) Key Performance Indicators (KPIs), as detailed in appendix 1 to this Specification schedule 3 (Performance Management Framework).
- 1.2 The Contractor's failure to deliver the Services or to deliver the Services to the required standards will be referred to as a Performance Issue.

2 PERFORMANCE ISSUES

- 2.1 The addressing of a Performance Issue is referred to as a Resolution.
- 2.2 Each notification of a Performance Issue shall be followed by a Resolution Period, in accordance with appendix 1 to this Specification schedule 3 (Performance Management Framework). Each Resolution Period shall commence on the first Business Day after the day on which the relevant Performance Issue is notified.
- 2.3 If the Contractor demonstrates that a Performance Issue is Resolved during the associated Resolution Period, the matter will be closed.
- 2.4 No Performance Points shall be allocated to Performance Issues or Resolution Periods.
- 2.5 If the Contractor fails to demonstrate that a Performance Issue is Resolved within the associated Resolution Period, this will be deemed to be a Performance Failure. A Performance Failure may be notified by the Contractor to the Council or vice versa.

3 PERFORMANCE FAILURES

- 3.1 The addressing of a Performance Failure is referred to as a Rectification.
- 3.2 For each notification of a Performance Failure, a Rectification Period, determined in accordance with appendix 1 to this Specification schedule 3 (Performance Management Framework), shall commence on the same Business Day that the notification is given.
- 3.3 In the event that a Performance Failure is not Rectified within the associated Rectification Period, subsequent Rectification Periods, still determined in accordance with appendix 1 to this Specification schedule 3 (Performance Management Framework), shall be commenced in continuity until the Performance Failure is Rectified.

4 PERFORMANCE POINTS

- 4.1 Performance Points shall be allocated upon the commencement of each and all Rectification Periods, with the number of Performance Points allocated being determined in accordance with appendix 1 to this Specification schedule 3 (Performance Management Framework).

SPECIFICATION SCHEDULE 3: PERFORMANCE MANAGEMENT FRAMEWORK

4.2 Performance Points allocated for the commencement of Rectification Periods shall be accrued until the related Performance Failure is Rectified.

4.3 Upon Rectification of each Performance Failure, the total number of Performance Points accrued for that ‘failure’ shall be applied to the Performance Deductions calculation for the calendar month which includes the date of the Rectification.

5 PERFORMANCE POINTS MULTIPLIER

5.1 For all Performance Failures, whilst the Performance Points will be determined in accordance with Appendix 1 to this Specification schedule 3 (Performance Management Framework), if a failure(s) against the same KPI has already been active within the associated Repeated Failure Period (refer to appendix 1 to this Specification schedule 3 (Performance Management Framework)), then a multiplier mechanism shall also apply, in accordance with table 5.1 below:

TABLE 5.1 PERFORMANCE POINTS MULTIPLIER

Number of Performance Failures relating to the same KPI within the associated Repeated Failure Period	Performance Points multiplier
2	1.0
3	1.5
4	2.0
5	2.5
>5	3.0

5.2 Performance Failures are deemed to be active from the date on which they are notified to the date on which they are Rectified.

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 3: PERFORMANCE MANAGEMENT FRAMEWORK

APPENDIX 1 KEY PERFORMANCE INDICATORS (KPIs)

KPI no.	KPI title	Performance Failure (clause references refer to the relevant parts of Specification schedule 2 (Service Requirements) unless indicated otherwise.	Reporting frequency	Resolution Period	Performance Points	Rectification Period	Repeated Failure Period
1	Acceptance of Green Waste	Failure to accept a load of the Council's DMR at either the Primary Delivery Point or the Contingency Delivery Point, in accordance with the requirements of clause 3.	Monthly	N/A	1,000 per occurrence	5 Business Days	24 months
2	Turnaround Times – maximum	Failure to minimise any load of the Council's DMR Waste to a Turnaround Time of 40 minutes, in accordance with the requirements of clause 3.	Monthly	N/A	100 per day	5 Business Days	1 month
3	Turnaround Times - daily average	Failure to achieve a daily average Turnaround Time of 15 minutes for Council DMR loads calculated across all Delivery Points, in accordance with the requirements of clause 3.	Monthly	N/A	100 per occurrence	5 Business Days	1 month
4	Conditions and consents	Any receipt of notification from the Environment Agency that the Contractor is in breach of any relevant environmental permit condition or consent.	Monthly	N/A	1,000 per notice	N/A	24 months
5	RIDDOR	Failure to inform the Authority Representative(s) of any RIDDOR reportable incident within 1 (one) Business Day of the incident becoming reportable under RIDDOR.	Monthly	1 Business Day	300 per occurrence	1 Business Day	24 months
6	Reporting Errors	Failure to submit a Monthly Report or an Annual Report required under Specification schedule 5 (Reporting Requirements) or the submission of a Monthly Report or an Annual Report required under Specification schedule 5 (Reporting Requirements) containing one or more material errors.	Monthly	5 Business Days	300 per report	5 Business Days	12 months

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 4: PAYMENT MECHANISM

1 MONTHLY PAYMENT

- 1.1 The Monthly Payment to the Contractor in respect of each calendar month 'm' shall become due and payable on the fifteenth (15th) Business Day of the following calendar month.
- 1.2 The Monthly Payment (MP_m) for each calendar month 'm' shall be calculated using the following formula:

$$MP_m = [((PC_m \times IX_y) - NR_m) \times T_m] - PD_m$$

where:

- PC_m = the amount payable in respect of the relevant calendar month 'm' for the Contractor's treatment of each tonne of the Council's DMR, being [insert via Tender Response Document];
- IX_y = the Indexation Factor, as calculated in accordance with clause 2 of this Specification schedule 4 (Payment Mechanism);
- NR_m = the average net value of the Contractor's revenue generated from and costs incurred in placing on the market each tonne of sorted Target Recyclable Materials, after deduction of the Contractor's costs incurred in the treatment of each tonne of Fines and Pre-sort Residue, for the relevant calendar month 'm', as calculated in accordance with clause 3 of this Specification schedule 4 (Payment Mechanism);
- T_m = the total tonnage of the Council's DMR received and accepted by the Contractor during the relevant calendar month 'm'; and
- PD_m = the aggregate of Performance Deductions in respect of the relevant calendar month 'm', as calculated in accordance with clause 4 of this Specification schedule 4 (Payment Mechanism).

2 INDEXATION

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 4: PAYMENT MECHANISM

2.1 Indexation of the amounts referred to in this Specification schedule 4 (Payment Mechanism), where applicable, shall be applied annually from 1 April in each Contract Year, with the first indexation date being 1st April 2018.

2.2 The Indexation Factor shall be calculated in accordance with the following formula:

$$IX_y = CPI_{y-1} / CPI_{base}$$

where:

IX_y = the Indexation Factor for the relevant Contract Year;

CPI_{y-1} = the published Consumer Price Index value for the December immediately preceding the relevant Contract Year; and

CPI_{base} = the published Consumer Price Index value for (December 2015) being 100.3.

3 NET REVENUE (NR_m)

3.1 The average net value of the Council's DMR processed by the Contractor during the relevant calendar month 'm' shall be calculated in accordance with the following methodology:

- a. the Contractor shall calculate, for each quarter (April to June, July to September, October to December and January to February) the average mid-rate for each revenue generating fraction of the Target Recyclable Materials and the average mid-cost for each cost incurring fraction of the Target Recyclable Materials, as well as for the Fines and the Pre-sort Residue;
- b. the Contractor shall calculate the mid-rates and mid-costs, using the mid-point of rates and costs published on www.letsrecycle.com/prices for each fraction of the Target Recyclable Materials and the Fines and Pre-sort Residue, in accordance with appendix 1 to this Specification schedule 4 (Payment Mechanism);
- c. the Contractor shall continually monitor the 17 fractions of the Target Recyclable Materials that it is placing on the market and that which is forming Fines and Pre-sort Residue, and shall calculate for each quarter (April to June, July to September, October to December and January to February), the percentage of each of these 19 streams as a percentage of the total of the Council's DMR received and accepted during the same period;
- d. the Contractor, shall, for each quarter (April to June, July to September, October to December and January to February), apply the calculated mid-rates and mid-costs to the relevant calculated percentage of each of the 19 streams and thus shall arrive at a composite average net rate/cost per tonne

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 4: PAYMENT MECHANISM

of the Council's DMR treated during that quarter, with this then applied as NR_m for the three (3) calendar months of the subsequent quarter; and

- e. up to the end of the first quarter or part quarter following the Services Commencement Date, the fractions used to calculate NR_m shall be those for the quarter of July 2016 to September 2016 as detailed in appendix 1 to this Specification schedule 4 (Payment Mechanism).

4 PERFORMANCE DEDUCTIONS (PD_m)

- 4.1 Performance Deductions in respect of each calendar month 'm' shall be calculated using the following formula.

$$PD_m = PP_m \times \text{£1} \times IX_y$$

where:

- PP_m = the number of Performance Points in respect of the relevant calendar month 'm', determined in accordance with Specification schedule 3 (Performance Management Framework); and
- IX_y = the Indexation Factor, as calculated in accordance with clause 2 of this Specification schedule 4 (Payment Mechanism).

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 4: PAYMENT MECHANISM

APPENDIX 1 PUBLISHED RATES AND COSTS

DMR fractions	Published rate or cost to be used (via www.letsrecycle.com)	% for quarter Jul 2016 to Sep 2016
batteries, household	N/A – rate of '£0' to be applied due to producer responsibility principle	0.00%
cardboard	old KLS (cardboard)	8.79%
glass, 0-10mm	MRF glass	2.66%
glass, 10-50mm	MRF glass	31.57%
metals, ferrous cans	steel cans (ex-works)	2.47%
metals, non-ferrous cans	aluminium cans (baled or densified and strapped)	1.12%
metals, light ferrous scrap	light iron	0.77%
paper, mixed	mixed papers	17.77%
paper, news and pams	news and pams	16.62%
plastics, film, clear	[as confirmed by Tender Response Document]	0.00%
plastics, film, coloured	[as confirmed by Tender Response Document]	1.61%
plastics, HDPE, coloured	HDPE mixed colour	0.00%
plastics, HDPE, natural	HDPE natural	1.15%
plastics, mixed	mixed plastics	2.94%
plastics, PET, clear light blue	clear and light blue PET	2.52%
plastics, PET, coloured	coloured PET	0.00%
Tetrapak	[as confirmed by Tender Response Document]	0.55%
Fines	[either 'EfW' or 'RDF' as confirmed by Tender Response Document]	0.00%
Pre-sort Residue	[either 'EfW' or 'RDF' as confirmed by Tender Response Document]	9.44%

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 5: REPORTING REQUIREMENTS

1 REPORTS

- 1.1 Subject to the provisions of clause 39 (Price and Payment) and this Specification schedule 5 (Reporting Requirements), the Contractor shall provide:
- a. Monthly Reports in respect of each calendar month; and
 - b. Annual Reports in respect of each Contract Year.
- 1.2 Failure to provide such reports within the required timescales or provision of reports containing one or more material errors, may result in Performance Deductions in accordance with KPI 6 (refer to appendix 1 to Specification schedule 3 (Performance Management Framework)).
- 1.3 All reports shall be submitted in a format to be agreed with the Authorised Officer.

2 MONTHLY REPORTS

- 2.1 Pursuant to clause 3.4 (Invoicing and Payment), the Contractor shall submit to the Council for each calendar month, a Monthly Report, in the format of one electronic file, comprising:
- a. a monthly operational summary for the calendar month, in accordance with clause 3 of this Specification schedule 5 (Reporting Requirements);
 - b. a monthly data summary for the calendar month and Contract Year to date, in accordance with clause 4 of this Specification schedule 5 (Reporting Requirements);
 - c. a monthly performance summary for the calendar month and Contract Year to date, in accordance with clause 5 of this Specification schedule 5 (Reporting Requirements); and
 - d. a monthly payment summary for the calendar month and Contract Year to date, in accordance with clause 6 of this Specification schedule 5 (Reporting Requirements).

3 MONTHLY OPERATIONAL SUMMARY

- 3.1 Each monthly operational summary shall include:
- a. information on the operation of the Services in respect of the calendar month to which that report relates. Such information shall include reporting by exception the Contractor's delivery of the Services in accordance with Specification schedule 2 (Service Requirements);

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 5: REPORTING REQUIREMENTS

- b. details of all relevant health & safety incidents (including accidents and near misses) that occurred during the relevant calendar month, including the time and date the incident first came to the attention of the Contractor or any relevant Sub-contractor, the location of the incident, the time and date at which action was initiated to remedy the incident and the time and date at which the incident was remedied; and
- c. any relevant links to any Performance Issues or Performance Failures.

4 MONTHLY DATA SUMMARY

4.1 Each monthly data summary shall include:

- a. details of each load of the Council's DMR received and accepted by the Contractor during the relevant calendar month, at each of the Primary Delivery Point and the Contingency Delivery Point, including each element required on all weighbridge tickets in accordance with clause 3.11 of Specification schedule 2 (Service Requirements);
- b. details of all Turnaround Times, highlighting any that are over 40 minutes;
- c. the calculation of each daily average Turnaround Time, highlighting any relevant day(s) on which this exceeds 15 minutes;
- d. details of any/all Contaminated Loads;
- e. the total tonnage of the Council's DMR received and accepted by the Contractor during the relevant calendar month;
- f. details of all waste flows and waste movements, beyond the Primary Delivery Point and/or the Contingency Delivery Point, to any/all Secondary Facilities and any/all Further Treatment Facilities;
- g. confirmation of when and where fractions of the Council's DMR have ceased to be waste or where there has been 'process loss', highlighting the associated Further Treatment Facility as the End Destination for that material; and
- h. any other information reasonably required by the Council for the completion of any statutory returns.

5 MONTHLY PERFORMANCE SUMMARY

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 5: REPORTING REQUIREMENTS

- 5.1 Each monthly performance summary shall include complete, factually correct, accurate and contemporary records of performance against each of the KPIs for the relevant calendar month, including:
 - a. the time and date that each Performance Issue/Performance Failure first came to the attention of the Contractor or any relevant Sub-contractor;
 - b. whether each Performance Issue/Performance Failure was identified by the Contractor or brought to the attention of the Contractor by the Council;
 - c. an explanation as to the cause of each Performance Issue/Performance Failure;
 - d. what efforts were taken to Resolve/Rectify each Performance Issue/Performance Failure (where applicable) and the outcome of those efforts;
 - e. the time and date at which action was initiated to effect each Resolution/Rectification;
 - f. the time and date at which each Resolution/Rectification was effected; and
 - g. details of any application of the multiplier of Performance Points and (for any Performance Failures Rectified during the relevant calendar month) the total Performance Points accrued for that 'failure'.

- 5.2 Each monthly performance summary shall also include a record of the total number of Performance Points incurred during the relevant calendar month.

6 MONTHLY PAYMENT SUMMARY

- 6.1 Each monthly payment summary shall include the following:
 - a. an invoice detailing the Monthly Payment, calculated in accordance with Specification schedule 4 (Payment Mechanism);
 - b. a detailed breakdown of the components of the Monthly Payment, for the relevant calendar month, in accordance with Specification schedule 4 (Payment Mechanism); and
 - c. a table showing invoices submitted (including reference number, date and amount), and payments made for the Contract Year to date.

- 6.2 The monthly payment summary, prepared in accordance with clause 6.1 of this Specification schedule 5 (Reporting Requirements) for the month of February of each

SPECIFICATION SCHEDULE 5: REPORTING REQUIREMENTS

Contract Year shall include a calculation of the Indexation Factor to be applied in the subsequent Contract Year, as determined in accordance with clause 2 of Specification schedule 4 (Payment Mechanism).

7 ANNUAL REPORTS

7.1 For each Contract Year, pursuant to clause 39 (Price and Payment), the Contractor shall submit to the Authority, no later than the 30 April of the subsequent Contract Year, an Annual Report in the format of one electronic file, comprising:

- a. an annual operational summary for the relevant Contract Year;
- b. an annual data summary for the relevant Contract Year;
- c. an annual performance summary for the relevant Contract Year; and
- d. an annual payment summary for the relevant Contract Year.

7.2 Each annual operational summary shall include the following:

- a. a review of the operational delivery of the Service over the relevant Contract Year;
- b. a summary of the Contractor's health & safety performance for the relevant Contract Year;
- c. a copy of relevant certification and documentation confirming the Contractor has maintained appropriate levels of insurance;
- d. a copy of all relevant weighbridge calibration certificates; and
- e. a summary of all the Contractor's reports on sampling and composition tests required under the Environmental Permitting (England and Wales) (Amendment) Regulations 2014.

7.3 Each annual data summary shall include a summary for the relevant Contract Year of all of the information detailed in clause 4 of this Specification schedule 5 (Reporting Requirements).

7.4 Each annual performance summary shall include the following:

- a. an annual summary of performance against each KPI for the relevant Contract Year, as set out in appendix 1 to Specification schedule 3 (Performance Management Framework); and

RUTLAND COUNTY COUNCIL – TREATMENT OF DMR

SPECIFICATION SCHEDULE 5: REPORTING REQUIREMENTS

- b. the total number of Performance Points incurred in respect of the relevant Contract Year.

7.5 Each annual payment summary shall include a summary for the relevant Contract Year of all of the information detailed in clause 6 of this Specification schedule 5 (Reporting Requirements) along with details of all the payments made to the Contractor by the Council for the same period.

8 REPORTING ERRORS

8.1 Any material errors or discrepancies identified by the Council in Monthly Reports or Annual Reports submitted by the Contractor shall be verified and corrected as appropriate by the Contractor and the relevant report shall be resubmitted within five (5) Business Days following notification of the error(s) by the Authority.

8.2 For the avoidance of doubt, any error shall be regarded as 'material' if it is:

- a. an error within text or an image(s) which is likely to lead to the reviewer misinterpreting the content; and/or
- b. an error within numerical data which constitutes the incorrect recording of the Contractor's performance or which could lead to an incorrect amount being paid to the Contractor

whilst errors shall not be regarded as material if:

- a. they are minor errors within text, such as grammar or spelling errors, which are unlikely to result in a reviewer's misinterpretation; and
- b. they are minor issues within numerical data, such as rounding differences.