

Contract Management Approach to Waste and Street Cleansing Service

Appendix A – Overview and components of contract management

Contract Summary Template

Title	Environmental Services – Waste Collection and Street Cleansing South London Waste Partnership (SLWP) – Phase C, Lot 1	
Location of Contract	Hard copy – LB Croydon Legal Services held under seal. Soft copy – LB Merton Public space department Note: Redacted version is held on SLWP website for Public view http://www.slwp.org.uk/what-we-do/waste-collection/	
Contract Signed	<input type="checkbox"/> Yes	<input type="checkbox"/> Date March 2017
Contract Under Seal	<input type="checkbox"/> Yes	
Department	<input type="checkbox"/> Environment and Regeneration - LB Merton <input type="checkbox"/> Public Place - LB Croydon (commissioning Authority)	
Division	<input type="checkbox"/> Public Space	
Contract Manager	Natasha Epstein (SLWP) Contract Lead Officer, LB Merton – Charles Baker	
Contractor	Veolia ES	
Organisation Information	<input type="checkbox"/> Large Organisation (>250)	<input type="checkbox"/> Other
Contract Type & Tender Route	<input type="checkbox"/> Term Contract	<input type="checkbox"/> Other
OJEU and / or ProContract Reference	OJEU Reference: S 068-129457	ProContract Reference: N/A.
CPV Code	<ul style="list-style-type: none"> ▪ 90000000 : Sewage-, refuse-, cleaning-, and environmental services ▪ 90500000 : Refuse and waste related services ▪ 90600000 : Cleaning and sanitation services in urban or rural areas, and related services ▪ 34000000 : Transport equipment and auxiliary products to transportation ▪ 50000000 : Repair and maintenance services ▪ 77000000 : Agricultural, forestry, horticultural, aquaculture and apicultural services ▪ 79000000: Business Services: law, marketing, consulting, recruitment, printing and security ▪ 98000000: Other community, social and personal services 	
Procurement / Commissioning Status	<input type="checkbox"/> No Action Required (Green)	Review of service provision and future procurement strategy to be undertaken in Oct 2020

		Formal decision required by Cabinet 2022/23
Term	<i>Duration (years and months): (inc. any option to extend)</i>	8 year contract
	<i>Core Term: start and end dates</i>	April 2017 – March 2025
	<i>Extension options:</i>	Two options to extend each for 8 years. Total maximum contract length 24 years
	<i>Extensions taken: start & end dates</i>	None
	<i>Extensions taken beyond term of original contract</i>	None

Key Reports	<ul style="list-style-type: none"> • Cabinet 2015 – Procurement Strategy • JWC 2016 – Preferred Bidder • Cabinet July 2016 – Contract award (preferred bidder) • Sustainable and Scrutiny Overview Committee – 6-month Update on service performance. Next report March 2020 		
Purpose / Description	<p>The purpose of these reports was to agree the recommendations in approaching the market to design a new waste and street cleansing service and if financially viable to commission the service to deliver three (3) primary objectives</p> <ol style="list-style-type: none"> 1. Reduced operational cost (savings) 2. Improved street cleansing service 3. Reduced carbon footprint 		
Commissioning Reviews and Proposals	None at this time		
Material Changes	<ul style="list-style-type: none"> • Service provided by external contractor • New waste collection service including the introduction of wheeled bins and change in frequency of collection. • Output based service provision in which the contractor is accountable to maintain required service standards 		
Total Contract Value (estimate)	£144.8m (TCV with all exercised extensions)		
Inflation Index	RPIX	Indexation Base Year: 2015	
Non-Recoverable VAT	VAT	£N/A	

	Metrics	Description	Review period
Monitoring / Metrics	Primary Performance / SPIs	<p><i>The Publically viewable Service Performance Indicators are available on the SLWP website as per Schedule 1; Appendix A</i></p> <p>http://www.slwp.org.uk/wp-content/uploads/2017/10/Lot-1-Schedules-1-5-Redacted.pdf</p>	<p>Operationally reviewed monthly by the LBM Client team;</p> <p>Quarterly as part of the performance monitoring of the contract.</p> <p>Strategically reviewed Annually as part of the formal Annual Review process.</p>
	SPI Default Monitoring process	<p>The SPIs are managed as part of the routine and regular monthly management of the contract with standards in service delivery being assessed on pre-agreed performance standards as part of the Service Performance Framework.</p> <p>The resultant performance against the SPIs are reviewed each quarter and the appropriate /agreed deductions applied.</p>	<p>Monthly – LBM Client Team</p> <p>Quarterly – SLWP Operations Board</p>
	Compliance	<p>The Authority has a legal duty under the Environmental Protection Act 1990 to collect household waste and keep our land free of refuse and litter including fly-tipped materials.</p> <p>The contract covers both statutory and non-statutory (discretionary) services</p> <p>Waste collection – Statutory Commercial waste – Statutory Bulky waste – Statutory (on request) Garden waste – Statutory (on request) Clinical waste – Statutory Street Cleansing – Statutory Winter Maintenance – Statutory Fleet Maintenance – Non-statutory</p>	
	Finance Targets	To deliver £1.166m in revenue savings	
	Complaints	Complaints are managed by the service with input from the service provider.	

	Contractor Meetings	<p>From April 2020 a new Governance structure will be implemented.</p> <p>It is proposed that the operational management of the contract is undertaken by the individual boroughs in which they individual manage their element of the Partnership contract. This is a shift from the current position whereas the SLWP directly contract manage the service.</p> <p>The strategic delivery of the service will be undertaken by the Strategic Steering Group (SSG) which is led by the boroughs Environment Directors or deputies by the Assistant Director depending on the Boroughs structure.</p>	
	Performance Deductions / Claims	<ul style="list-style-type: none"> • 2017/18 = £409,762 • 2018/19 = £73,205 • 2019/20 = £20,385 (April-Dec) 	
	Other		
Benchmarking	<i>Value for money comparison data</i>		
Stakeholder Satisfaction & Complaints	The results of the 2019 Residents Survey have provided detailed insight in areas of improvement required by the service. Whilst the holistic service change to waste service collections has yielded substantial improvement in waste minimisation and improved recycling levels, a refreshed focus on the services client management team is required supported by an organisational restructure aimed at improving our resilience in managing the contract and improving resident satisfaction ratings.		
Audits	<p>Internal Governance review conducted Nov 2019.</p> <p>Financial Audit conducted 2019</p>		
Linked Strategies / Plans	<p>Fly tipping Strategy 2019</p> <p>Cleaner Merton programme 2020 (internal)</p> <p>Communications strategy - TBC</p>		
Linked Services / Contracts	IdVerde – Parks and grounds Maintenance contract – SLWP Phase C, Lot 2		

**Contract
Compliance /
Statutory
Requirements**

Statutory Basis (for service provision) –

- Environmental Protection Act 1990
- Waste Management Plan published by DEFRA 2013
- Waste Prevention Programme for England, published by DEFRA 2013
- Waste (England & Wales) Regulations 2011 (SI 2011/988)
- Waste (England & Wales) (Amendment) Regulations 2012 (SI 2012/1889)
- Waste (England & Wales) (Amendment) Regulations 2014 (SI 2014/656)
- Waste duty of care code of practice published by DEFRA (March 2016) (Environmental Protection Act 1990 section 34)
- Controlled Waste (England and Wales) Regulations 2012 (SI 2012/811)
- Controlled Waste (England and Wales) (Amendment) Regulations 2012 (SI 2012/2320)
- Environmental Permitting (England and Wales) 2016
- End of Life Vehicles Regulations 2003
- Waste Electrical and Electronic Equipment Regulations 2013 (SI 2013/3113)
- Waste Electrical and Electronic Equipment and Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (Amendment) Regulations 2014 (SI 2014/1771)
- Waste Electrical and Electronic Equipment (Amendment) Regulations 2015 (SI 2015/1980)
- Animal By-Products (Enforcement) (England) Regulations 2013 (SI 2013/2952)
- Animal By-Products (Enforcement) (England) (Amendment) Regulations 2015 (SI 2015/1980)
- Hazardous Waste (England and Wales) Regulations 2005 (SI 2005/894)
- CLP Regulation 2008
- Hazardous Waste (England and Wales) (Amendment) Regulations 2009 (SI 2009/507)
- Hazardous Waste (Miscellaneous Amendments) Regulations 2015 (SI 2015/1360)
- Guidance on the classification and assessment of waste (1st edition 2015) Technical Guidance (WM3)
- Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 (SI 2016/334)
- Packaging Waste Regulations 2007 (as amended)
- Packaging (Essential Requirements) Regulations 2015 (SI 2015/1640) enforced by the Local Authority Trading Standards Officers
- Finance Act 1996 Part III (FA 1996) (introduced Landfill Tax)
- Landfill Tax Regulations 1996 (SI 1996/1527) (as amended)
- Landfill Tax (Qualifying Material) (Amendment) Order 2012 (SI 2012/940)
- Landfill Tax (Qualifying Fines) (No 2) Order 2015 (SI 2015/1385)
- Landfill Tax (Amendment) (No 3) Regulations 2015 (SI 2015/1453)
- Landfill Tax (Amendment) Regulations 2016 (SI 2016/376)
- Landfill Tax (Amendment) Regulations 2017 (SI 2017/332) (sets the maximum credit landfill operators can claim against their annual liability.
- Control of Pollution (Amendment) Act 1989
- Clean Neighbourhoods and Environment Act 2005
- Control of Waste (Dealing with Seized Property) (England and Wales) Regulations 2015 (SI 2015/426)
- Household Waste (Fixed Penalty and Penalty Charge) Regulations 2015 (SI 2015/969)
- Highways Act 1980 section 130 (bins obstructing the highway)
- Scrap Metal Dealers Act 2013

	<ul style="list-style-type: none"> • Scrap Metal Dealers Act 2013 (Prescribed Relevant Officers and Relevant Enforcement Action) Regulations 2013 (SI 2013/2258) • Scrap Metal Dealers Act 2013 (Prescribed Documents and Information for Verification of Name and Address) Regulations 2013 (SI 2013/2276) • Waste Batteries and Accumulators Regulations 2009 (SI 2009 890) • Waste Batteries and Accumulators Regulations (Amendment) 2015 (SI 2015 1935) • Air Quality Directive 2008 • Fourth Daughter Directive 2004 • Deregulation Act 2015 • London Local Authority Act 2007 with specific reference to sections 19-26 • Air Quality Standards Regulations 2010 (SI 2010/1001) • Air Quality Standards (Amendment) Regulations 2016 (SI 2016/1184) • Animal By-Products (Enforcement) (England) Regulations 2013 (SI 2013/2952) • Animal By-Products (Enforcement) (England) (Amendment) Regulations 2015 (SI 2015/1980) • EU Directives e.g. Animal By-Products Regulation 1069/2009 • The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (SI 2013/1471) (RIDDOR) • Motor Vehicles (Type Approval for Goods Vehicles) (Great Britain) Regulations 1982 • The Road Vehicles (Construction and Use) Regulations 1986 (as amended) • Road Vehicles (Construction and Use) and Motor Vehicles (Type Approval for Goods Vehicles) (Great Britain) (amendment) Regulations 2006 (deals with vehicle emissions) • The Greater London (Restriction of Goods Vehicles) Traffic Order 1985 • Carriage of Dangerous Goods Pressure Equipment Regulations 2009 • Road Traffic Regulation Act 1984 • The Borough Roads (London Safer Lorry Scheme) (Restriction of Goods Vehicles) Traffic Order 2015 • London Environment Strategy published by the Mayor of London (draft published August 2017) 		
<p>Emerging Issues & Management Response</p>	<p>Implementation of new governance arrangements following SLWP contract management review with SLWP Management group disbanded FEB 2020, followed by Joint Waste Operations Board implemented April 2020</p> <p>Delivery of Local Improvement Plan – outlined to Cabinet (Dec 2019) with performance review through Sustainable Communities Overview and Scrutiny Panel in Sept 2019 and March 2020.</p> <p>Annual Review process as per contract – Nov 2020; low risk as substantive review undertaken Dec 19.</p>		
<p>Service Risk</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Reputation</td> <td style="width: 50%; text-align: center;">Medium Risk (Yellow)</td> </tr> </table>	Reputation	Medium Risk (Yellow)
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<p>Risk Management</p>	<p>Service risks managed on the Corporate risk register; Departmental risk register and Service-level risk register.</p>		
<p>Primary Contractor contact</p>	<p><i>Scott Edgell (General Manager)</i></p>		
<p>Risk Register</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><i>See attached</i></td> <td style="width: 50%;">Review Frequency: quarterly</td> </tr> </table>	<i>See attached</i>	Review Frequency: quarterly
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Exit Plans	The service will develop service specific Exit Plans as required and as a result of strategic decision making regarding the application of extensions within the contract.
Critical ICT Systems & Information Governance	<p><u>Critical ICT Systems</u> CRM – Resident reporting of service requests Echo – Service provider’s operational management system</p> <p><u>Information Governance (GDPR Compliance) - YES</u></p>
Communications	<p>Daily – Operational service request between Client team (authorised Officer and Environment manager)</p> <p>Monthly – Operational contract meeting between Borough Lead Officer and Operations Manger</p> <p>Quarterly – Operational meeting and review of service performance and SPI</p> <p>Strategic Steering Group – Frequency Quarterly</p> <p>Annual Review – AD Director and Veolia Director and GM</p>
Business Continuity Plan	<ul style="list-style-type: none"> • Revised business continuity Plan March 2020. • Veolia BCP April 2017 • HRRC - Garth Rd BCP June 2019
Quality Systems	Asset data base Mayrise – street litter bins, NRC and street asset data

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