

SCHEDULE 6A
PAYMENT MECHANISM
CONTRACT A

1.INTRODUCTION, INTERPRETATION AND EXCUSING CAUSE

- 1.1. This Schedule 6 (Payment and Performance Mechanism) is divided into the following parts:
- Schedule 6A Payment Mechanism comprising the Payment Mechanism and the following Appendices:
 - Appendix 1: Non Contract Waste Protocol
 - Appendix 2: Tonnage Rates, Availability Rates and Ad Hoc Waste Rates
 - Schedule 6B Performance Mechanism
 - Schedule 6C Performance Scorecard
- 1.2. Unless expressly defined in this Schedule 6, words and phrases with an initial capital letter shall have the meaning given in Schedule 1 (Definitions).
- 1.3. Unless otherwise provided, references in this Schedule 6 to Clauses and Schedules shall be references to Clauses and Schedules in the Contract.
- 1.4. Unless otherwise provided, references to parts, sections, tables and appendices shall be references to parts, sections, tables and appendices in this Schedule 6.
- 1.5. The Parties agree that without prejudice to any express provision of this Contract this Schedule 6 shall form the sole basis of payment by the Authority to the Contractor for the Services.
- 1.6. VAT properly chargeable on any element of the Unitary Charge shall be payable as set out in Clause 74 (Value Added Tax).
- 1.7. In this restated Schedule 6A (Payment Mechanism), historic provisions (prior to 1st April 2014) have been removed for clarity.
- 1.8. **Excusing Cause**
- The Parties agree that the Contractor shall not be liable under this Schedule 6 or under Schedule 22 (Availability) for any reduction or deduction from the Unitary Charge for any Performance Deduction or any Tipping Away Payment, deduction or reduction of Landfill Tax or any reduced Availability Payment in respect of any Facility to the extent that the breach or Unavailability or other circumstance giving rise to such reduction or deduction from the Unitary Charge arises as a direct result of any act or omission to act or neglect or default of the Authority or any Authority Related Party.

2. SCHEDULE 6A - PAYMENT

The Unitary Charge for each Payment Period shall be paid in arrears on a monthly basis in accordance with Clause 69 (Invoicing and Payment) and calculated in accordance with the following provisions of this Schedule 6.

2.1 Principal Formula

The Unitary Charge (UC_t) for each Payment Period t during the Contract Period shall be calculated using the following formula:

$$UC_t = \frac{A_t + B_t + C_t + D1_t + AdHoc_t + LandfillTax_t + TotalMonthlyDeductions_t + TippingAway_t - Reimbursement_t}{12}$$

Where:

UC _t	=	The Unitary Charge payable for Payment Period t;
A _t	=	The amount payable in respect of Part A (Composting Services) in Payment Period t (section 2.2 below);
B _t	=	The amount payable in respect of Part B (Residual Waste Management and Disposal Services) in Payment Period t (section 2.3 below);
C _t	=	The amount payable in respect of Part C (HWRC Services) in Payment Period t (section 2.4 below);
D1 _t	=	The amount payable in respect of Part D1 (Recyclable Waste and Street Cleansing Waste) in Payment Period t (section 2.5 below);
AdHoc _t	=	The amount payable in respect of Ad Hoc Waste, in Payment Period t (section 2.6 below);
LandfillTax _t	=	The Landfill Tax payable in Payment Period t (section 2.8 below);
TotalMonthlyDeductions _t	=	The Total Monthly Deductions (calculated in accordance with section 4.1) below for Payment Period t;
TippingAway _t	=	The amount payable in respect of Tipping Away Payments for Payment Period t (section 2.7 below);
Reimbursement _t	=	The reimbursement to the Contractor of any NNDR and MRF lease payments properly payable in respect of the

		Facilities referred to in paragraph 2.9 below in Payment Period t;
■	=	The amount payable in respect of additional services (calculated in accordance with section 2.10 below) for Payment Period t;
■	=	The annual royalty payment in respect of Additional Eastcroft Waste payable in accordance with paragraph 2.3A (Additional Eastcroft Waste Royalty Payment);
■	=	The Additional Non Contract Waste adjustment for Non Contract Waste handled at the MRF (from 1 st August 2014) in excess of ■ tonnes in any Contract year (pro-rated for part years) calculated in accordance with Appendix 1 below.
■	=	The Recyclate Revenue Share in the relevant Contract Year as calculated in accordance with Appendix 2 below.
■	=	Payment Period.

2.2 Part A – Composting Services

Payment for Composting Services shall comprise a tonnage related payment only. The tonnage related payment shall be payable as defined below.

Payment in respect of Composting Services in Payment Period t \blacksquare shall be calculated as follows:



Where:

- \blacksquare = The tonnage of Compostable Waste delivered to the agreed Delivery Points or Contingency Delivery Points and accepted by the Contractor in accordance with Schedule 30 (Facility Input Specifications) in Payment Period t;
- \blacksquare = Tonnage Rate for Composting Services
 - From 1st April 2014: \blacksquare per tonne
- \blacksquare = The cumulative indexation factor for Contract Year y as calculated in section 3.3, below.

For the avoidance of doubt, once payment has been made for Contract Waste under this section 2.2 (Composting Services) no further amount shall be payable to the Contractor for such Contract Waste under any other section of this Payment Mechanism except for Landfill Tax (\blacksquare) properly chargeable in section 2.8 below.

2.3 Part B – Residual Waste Management and Treatment/Disposal Services

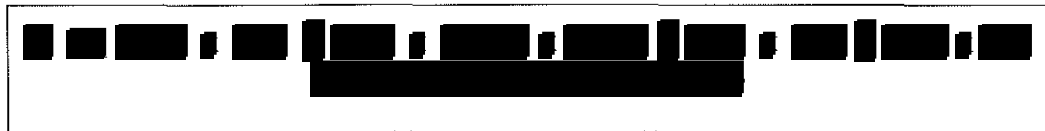
For the purposes of this Section 2.3 only, "Residual Waste" means Contract Waste (other than Compostable Waste and Recyclable Waste) PROVIDED THAT for these purposes Excess Recyclable Waste identified pursuant to Clause 48 (Capacity) may be included in the definition of Residual Waste to the extent that:

- (a) the Contractor is unable pursuant to Clause 48.3 to Handle the Excess Recyclable Waste by way of Recycling; and
- (b) the Authority is unable to demonstrate in accordance with Clause 48.3.2 that it can secure and does so secure alternative arrangements to Recycle the Excess Recyclable Waste.

Payment for Residual Waste Management and Treatment/Disposal Services shall comprise:

- a) a tonnage-related payment for Residual Waste Handled through the Sheffield Contract
- b) a tonnage-related payment for the Treatment/Disposal of Non-Sheffield Residual Waste, being all Residual Waste arising at the HWRCs and Residual Waste collected by the WCAs save for Residual Waste Handled through the Sheffield Contract, Eastcroft Waste and Ad-Hoc waste paid for under paragraph 2.6 of Schedule 6A.
- c) a tonnage-related payment for Residual Waste arising at HWRCs
- d) where WCAs deliver Residual Waste to Transfer Stations, a tonnage-related payment for transferring such Residual Waste
- e) a royalty payment for third party waste received by the Contractor at Transfer Stations

Payment in respect of Residual Waste Management and Disposal Services in Payment Period t (■), shall be calculated as follows:



Where:

- = The tonnage of Residual Waste delivered by WCAs and Handled at Transfer Stations in accordance with Schedule 28 (Delivery Points) in Payment Period t, not including Facility Residues. For the avoidance of doubt, the TT_t amount shall exclude any tonnage of Residual Waste which is delivered to any third party Transfer Stations and in respect of which the 'BR' rate (below) determined pursuant to Schedule 32 includes the provision of relevant Transfer Station services;

█ = Tonnage Rate for transferred Residual Waste being █ per tonne of Residual Waste Handled by the Contractor at a Transfer Station;

█ = The tonnage of Residual Waste (which for the avoidance of doubt shall exclude any chipboard (to the extent that it is segregated and Recycled, Composted or otherwise recovered), gypsum waste and Ad Hoc Waste) arising at HWRCs in Payment Period t, which for payment purposes shall not exceed the Planned Landfill Tonnage from HWRCs, as set out in section 2.8 below (Landfill Tax), in any Contract Year;

█ = Tonnage Rate for Residual Waste arising at HWRCs being █ per tonne to be subject to Market Testing in accordance with Schedule 32;

█ = The tonnage of Non-Sheffield Residual Waste treated or disposed of by the Contractor in Payment Period t, other than Facility Residues

█ = Tonnage Rate for managing Non-Sheffield Residual Waste being the amount determined and indexed in accordance with Schedule 32 (Benchmarking and Market Testing).

█ = The total amount of Residual Waste Handled through the Sheffield Contract in each Payment Period t (from 1st June 2015);

█ = Tonnage Rate for the Sheffield Contract being █ provided always that the product of the Sheffield Contract tonnage rate and RPIXC shall never be greater than SRC being the Sheffield Contract Rate Cap, defined below.;

█ = Sheffield Contract Rate Cap

$$= \frac{\text{█} \times \text{█}}{\text{█}}$$

Where the cap can never be █.

█ = The cumulative indexation factor for Contract Year y as calculated in section 3.3 below.

█ = The Retail Prices Indexation Factor - Cumulative for Contract Year y as calculated in section 3.1 below.

█ = the aggregate of:

a) █; and

b) the product of:

a. any amount of third party waste received at the Newark WTS or the Worksop WTS which, in the aggregate, is greater than █

tonnes in any Contract Year (pro-rated as appropriate for part years); and

b. [REDACTED] per tonne

For the avoidance of doubt, once payment has been made in respect of Contract Waste under this section 2.3 (Residual Waste Management and Disposal Services) no further amount shall be payable to the Contractor for that Contract Waste under any other section of this Payment Mechanism except for Landfill Tax [REDACTED] properly chargeable in section 2.8 (Landfill Tax) below.

2.3A Additional Eastcroft Waste Royalty Payment

In respect of Additional Eastcroft Waste the Authority shall pay an annual Royalty Payment [REDACTED] in relation to the tonnages of Additional Eastcroft Waste in any Contract Year which shall be zero in all Payment Periods other than the final Payment Period in each Contract Year in which final Payment Period it shall be the sum of the products of:

- a) the tonnage of Additional Eastcroft Waste in respect of the relevant Contract Year falling within each payment band as set out in column 2 of the table below, each of which band for the avoidance of doubt shall not exceed 4,999 tonnes; and
- b) the relevant Royalty Payment set out in column 3 of the table below; and
- c) the Retail Prices Index for the relevant Contract Year calculated in accordance with paragraph 3.4 below.

For the avoidance of doubt the Royalty Payment to apply to the first 4,999 tonnes of Additional Eastcroft Waste shall be the Royalty Payment in band 1 [REDACTED] the Royalty Payment to apply to Additional Eastcroft Waste in excess of 4,999 and up to 9,999 tonnes shall be the Royalty Payment in band 2 [REDACTED] the Royalty Payment to apply to Additional Eastcroft Waste in excess of 9,999 tonnes and up to 14,999 tonnes shall be the Royalty Payment in band 3 [REDACTED] and so on. All such Royalty Payments set out in the table below are represented in the prices as at the Base Date and shall be inflated in accordance with paragraph 3.4 (Retail Prices Index), for the avoidance of doubt, from that date through the application of the calculation described above.

Band	Payment bands in respect of tonnages of Additional Eastcroft Waste in the Contract Year (tonnages between)	Royalty Payment per tonne of Additional Eastcroft Waste within the relevant band (in pounds sterling)
1	0 - 4999	[REDACTED]
2	5000 – 9999	[REDACTED]
3	10,000 – 14,999	[REDACTED]
4	15,000 – 19,999	[REDACTED]

5	20,000 – 24,999	■
6	25,000 – 30,000	■

2.4 Part C – Household Waste Recycling Centre (HWRC) Services

Payment for HWRC Services shall comprise an Availability Payment based on the HWRC Availability Criteria and a tonnage-related payment.

Payment in respect of HWRC Services, in Payment Period t [REDACTED] shall be calculated as follows:

$$\begin{aligned}
 & \text{[REDACTED]} \\
 & \text{[REDACTED]}
 \end{aligned}$$

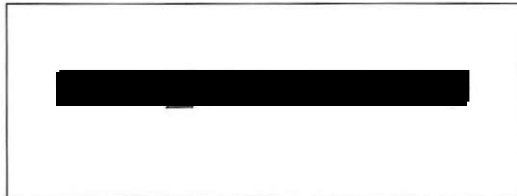
Where:

- [REDACTED] = The total Availability Payment for HWRC Services in Payment Period t
- [REDACTED] = The tonnage of Compostable Waste and Hardcore transported from HWRCs by the Contractor in Payment Period t;
- [REDACTED] = Tonnage Rate for HWRC Services being [REDACTED] per tonne.
- [REDACTED] = The tonnage of gypsum waste arising at HWRCs and treated by the Contractor in Payment Period t;
- [REDACTED] = Tonnage Rate for gypsum waste determined in accordance with Schedule 32 (Benchmarking and Market Testing).
- [REDACTED] = The tonnage of chipboard arising at HWRCs and treated by the Contractor in Payment Period t;
- [REDACTED] = Tonnage Rate for chipboard determined in accordance with Schedule 32 (Benchmarking and Market Testing).
- [REDACTED] = The tonnage of recyclables arising at HWRCs and recycled by the Contractor (including WEEE which is recycled but excluding (save as provided in footnote 1 below) chipboard, gypsum waste and any other Ad Hoc Wastes) in Payment Period t;
- [REDACTED] = Tonnage Rate for recyclables being:
 - From 1st April 2014: [REDACTED] per tonne¹.

¹ This rate is different to, and takes precedence over, the rate in the RPP Model referred to in Schedule 40, as the Parties have agreed that this rate shall equate to a variable tonnage-related payment to offset a reduction of [REDACTED] (at the price base date) in HWRC Availability payments, based on the prevailing annual quantity of recyclables at the RPP Date (being the aggregate of relevant tonnages between 1st January and 31st December 2014 inclusive) being [REDACTED] tonnes per annum (whereas in the RPP Model

█ = The cumulative indexation factor for Contract Year y as calculated in section 3.3 below.

The total Availability Payment for HWRC Services in Payment Period t █ shall be the aggregate of the Availability Payments for each HWRC and shall be calculated as follows:



Where:

█ = The number of complete 15 minute Units (as defined in Schedule 22) that each HWRC met the HWRC Availability Criteria in Payment Period t, up to a maximum of 15,008 Units (3,752 hours) in any Contract Year for each HWRC;

█ = The Availability Rate per Unit for each HWRC for Payment Period t according to four time bands as set out in Table 2.4 below and subject to Benchmarking in accordance with Schedule 32 (Benchmarking and Market Testing);

█ = The cumulative indexation factor for Contract Year y as calculated in section 3.3 below.

Table 2.4: HWRC Sites, Availability and Rates

Site Name	Rate per Unit from 01/04/14 £ █
Kirkby	█
Hucknall	█
Retford	█
Beeston	█
Giltbrook	█
Calverton Colliery	█
Mansfield	█

the tonnages are based on 2012/13 actual quantities and include chipboard and gypsum waste). The Parties agree that in calculating █ there shall be included (without limitation) such categories of Ad Hoc Waste as were reflected in the calculation of the prevailing annual quantity of recyclables at the RPP Date of █ tonnes per annum (and such other categories as shall be agreed by the Parties from time to time).

Site Name	Rate per Unit from 01/04/14 £
Warsop	█
Newark & Sherwood New Site	█
Bilsthorpe	█
Langar	█
West Bridgford	█
New Worksop	█

Subject to clause 15 (Land Issues) for the avoidance of doubt, payment shall only be made for HWRC Services (█) in respect of any particular HWRC from the date set out in Table 2.4 above and any change to such dates shall constitute an Authority Change. The required Available hours shall be pro-rated where Service Commencement in respect of any particular HWRC is part way through a Contract Year or a Contract Year is less than 12 Months.

Once payment has been made for Contract Waste under this section 2.4 (HWRC Services) no further amount shall be payable to the Contractor for such Contract Waste under any other section of this Payment Mechanism or, for the avoidance of doubt, through tonnage in respect of █ in accordance with section 2.3 (Residual Waste Management and Disposal Services) or through an Ad Hoc Waste payment in accordance with section 2.6 below.

The Authority may instruct the Contractor to discontinue the operations of any of the HWRCs with █ notice in which instance the payment in respect of HWRC Services █ shall be adjusted in accordance with the provisions of Schedule 40.

For the further avoidance of doubt all costs associated with Handling Recycling Waste at the HWRC Sites shall be borne by the Contractor and no payment shall be made to the Contractor for Recyclable Waste delivered to the MRF from any HWRC Site.

2.5 Part D1 – Recyclable Waste and Street Cleansing Waste

Payment for Recyclable Waste and Street Cleansing Waste shall comprise:

- an Availability Payment based on the MRF Availability Criteria
- a tonnage-related payment based on a rate per tonne for the treatment of Recyclable Waste; and
- a tonnage-related payment based on a rate per tonne for Handling of Street Cleansing Waste.

Payment in respect of Recyclable Waste and Street Cleansing Waste in Payment Period t [REDACTED] shall be calculated as follows:

From 1st April 2014:

$$[REDACTED] = [REDACTED] \times [REDACTED] \times [REDACTED] \times [REDACTED] \times [REDACTED]$$

Where:

- [REDACTED] = Availability Rate for the MRF being £ [REDACTED] per Unit
- [REDACTED] = The number of 15 minute Units (as defined in Schedule 22) that the MRF met the MRF Availability Criteria in accordance with Schedule 22 in Payment Period t, up to a maximum of 10,012 Units (2,503 hours) in any Contract Year;
- [REDACTED] = The Retail Prices Index Factor – Cumulative for Contract Year y as calculated in section 3.1 below.
- [REDACTED] = The third party waste royalty rebate for the relevant Contract Year to allow the Contractor to utilise up to [REDACTED] tpa surplus capacity in the MRF being:
- a) from 1st April 2014 to 31st July 2014, the value of [REDACTED] for the relevant Payment Period determined in accordance with Appendix 1 (Non-Contract Waste Protocol).
 - b) from the 1st August 2014, [REDACTED] in each Payment Period.
- provided always that the provisions of Appendix 1 (Non-Contract Waste Protocol) shall continue to apply in relation to the use of spare capacity at the MRF in excess of [REDACTED] tonnes per annum (pro-rated for part years)
- [REDACTED] = The tonnage of Recyclable Waste delivered by the Waste Collection Authorities and accepted by the Contractor at the

agreed Delivery Points or Contingency Delivery Points in accordance with Schedule 30 (Facility Input Specifications) in Payment Period t;

- = Tonnage Rate for Recyclable Waste being ■ per tonne;
- = The tonnage of collected Street Cleansing Waste delivered by the Waste Collection Authorities and accepted by the Contractor at the agreed Delivery Points or Contingency Delivery Points in accordance with Schedule 30 (Facility Input Specifications) in Payment Period t;
- = Tonnage Rate for Street Cleansing Waste ■ per tonne;
- = The cumulative indexation factor for Contract Year y as calculated in section 3.3 below.
- = The Authority's share of revenue from the sale of recyclate in excess of the guaranteed base case amount, being:
 - a) in respect of each Payment Period other than the month of March, zero
 - b) in respect of the month of March at the end of each Contract Year, the amount determined in accordance with Appendix 2 of this Payment Mechanism;

For the avoidance of doubt, once payment has been made for Contract Waste under this section 2.5 (Recyclable Waste and Street Cleansing Waste) no further amount shall be payable to the Contractor for such Contract Waste under any other section of this Payment Mechanism except for Landfill Tax ■ properly chargeable in section 2.8 (Landfill Tax) below.

2.6 Ad Hoc Waste Requiring Additional Payment

In the event that the Contractor is required to Handle Ad Hoc Waste, where such Ad Hoc Waste is not included within tonnages for which payment is made to the Contractor elsewhere within this Payment Mechanism, the Authority shall pay third party costs plus the agreed [REDACTED] uplift calculated as follows:

$$[REDACTED] = [REDACTED] + [REDACTED]$$

Where:

- [REDACTED] = The Ad Hoc Waste payment in period t
- [REDACTED] = The applicable Ad Hoc Waste Rate, as agreed from time to time, adjusted from time to time in accordance with Schedule 32 (Benchmarking and Market Testing) or the correctly calculated invoiced cost as appropriate, (excluding VAT and including Landfill Tax (if applicable)) paid by the Contractor in Payment Period t to third parties for disposing of Ad-Hoc Waste.

For the avoidance of doubt no payment shall be made by the Authority in respect of Ad Hoc Waste unless the Contractor's invoice relating to the same is supported by satisfactory documentary evidence that such costs have been incurred and properly calculated-;

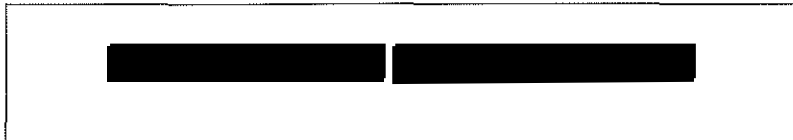
2.7 Tipping Away Payment

The Tipping Away Payment [REDACTED] represents costs which will be incurred by the Waste Collection Authorities in the event of diversion from a Delivery Point to a Contingency Delivery Point due to Delivery Point Unavailability in Payment Period t.

Tipping away payments shall apply to WCA household collections of Residual Waste, Recyclable Waste and Compostable Waste whereby the Delivery Point, detailed in Schedule 28 (Delivery Points) is Unavailable and Contingency Delivery Points need to be utilised by WCAs.

The Tipping Away payments will also not be applied to any WCA vehicle movements associated with WCA inputs to the Eastcroft Facility.

The Tipping Away Payment shall be calculated in accordance with the following mechanism:



Where:

- [REDACTED] = a rate of [REDACTED] per tonne per mile;
- [REDACTED] = The cumulative indexation factor for Contract Year y as calculated in section 3.3 below
- [REDACTED] = each tonne of Contract Waste diverted from the Delivery Point to the Contingency Delivery Point as a result of Delivery Point Unavailability as instructed by the Contractor;
- [REDACTED] = the distance travelled in miles from the WCA boundary travelling along the most direct adopted highway that provides a safe and legal route to and from the disposal point (ten miles of the distance travelled will be disregarded in calculating [REDACTED]), as set out in Table 2.7 below or as otherwise applicable;

Table 2.7 Delivery Points and Contingency Delivery Points

WCA	Waste Type	Delivery Point	Contingency Delivery Point	MCWD
Ashfield DC	Residual Waste	FCC Alfreton (MRF)	FCC Alfreton (Transfer Station)	0 miles
	Recyclable Waste	Veolia Mansfield MRF	Contract TS, Giltbrook	0 miles
	Compostable Waste	Simpro, Oxton	FCC Alfreton	0 miles
Bassetlaw DC	Residual Waste	Daneshill Landfill	North Hykeham Landfill	5 miles
		Worksop T/S (from 01.06.15)	Contract TS, Newark	6.5 miles
	Recyclable Waste	Worksop T/S (from 01.06.15)	Contract MRF	2.0 miles
	Compostable Waste	Park Farm Compost Facility, Sth Anston	Simpro, Oxton	9.5 miles
Broxtowe BC	Residual Waste	FCC Eastcroft	Veolia Derby TS	Not applicable see Sch 6, 2.7
	Recyclable Waste	Contract TS Giltbrook	Contract TS, Freeth Street	0 miles
	Compostable Waste	BBC TS, Kimberley	Simpro, Oxton FCC Alfreton TS	6.0 miles
Gedling BC	Residual Waste	FCC Eastcroft	FCC, Staples Quarry	Not applicable see Sch 6, 2.7
	Recyclables Waste	Contract TS, Freeth Street	Contract MRF	0 miles
	Compostable Waste	Simpro, Oxton	tbc	0 miles
Mansfield DC	Residual Waste	FCC Alfreton (MRF)	FCC Alfreton (Transfer Station)	0 miles
	Recyclable Waste	Contract MRF Contract MRF	Contract TS, Giltbrook Contract TS, Worksop	8.0 miles 4.8 miles

WCA	Waste Type	Delivery Point	Contingency Delivery Point	MCWD
	Compostable Waste	Simpro, Oxtou	FCC, Alfreton	0 miles
Newark & Sherwood DC	Residual Waste	FCC Staples Quarry	FCC, North Hykeham	3.9 miles
		Newark T/S (from 01.06.15)	Contract TS, Worksop Contract TS, Freeth Street	6.5 miles 3.9 miles
	Recyclable Waste	Newark T/S (from 01.06.15)	Contract MRF	0 miles
	Compostable Waste	Simpro, Oxtou	tbc	0 miles
Rushcliffe BC	Residual Waste	FCC Eastcroft	FCC Staples Quarry	Not applicable see Sch 6, 2.7
	Recyclable Waste	Contract TS, Freeth Street	Contract MRF	12 miles
			Contract TS, Newark (from 01.06.15)	3 miles
Compostable Waste	Simpro, Oxtou Sherwood Farms, Stagglethorpe	tbc	tbc	

Any Contingency Delivery Points not included in Table 2.7 which qualify for Tipping Away Payments in accordance with this section 2.7 shall be subject to the calculation set out in the above formula.

2.8 Landfill Tax

Landfill Tax payable by the Authority in respect of each Payment Period t [REDACTED] will be calculated as follows:

$$[REDACTED] = [REDACTED] - [REDACTED] + [REDACTED]$$

Where:

- [REDACTED] = The Landfill Tax payable in Payment Period t;
- [REDACTED] = The Planned Landfill Tonnage in Payment Period t;
- [REDACTED] = The Landfill Tax rate per tonne which applies in Contract Year y to Active Waste (as per then current legislation);
- [REDACTED] = The Residual Waste Reconciliation for each Contract Year payable in respect of the final Payment Period for that year, determined in accordance with paragraph 2.8.2 below. For all other Payment Periods the value shall be zero.

As part of the monthly invoicing procedure, the Contractor will calculate the Planned Landfill Tonnage.

$$[REDACTED] = [REDACTED] - [REDACTED] + [REDACTED]$$

Where:

- [REDACTED] = The Planned Landfill Tonnage in Payment Period t;
- [REDACTED] = The total tonnage of Contract Waste Handled by or on behalf of the Contractor in Payment Period t (less Ad Hoc Waste);
- [REDACTED] = The Recycling and Composting Performance Standard measured in tonnes in accordance with KPI 5 (Schedule 7 KPIs) in Payment Period t as calculated below;
- [REDACTED] = is the Base Case Planned Sheffield Tonnage being:
 - a) up to and including 31st May 2015, zero;
 - b) from 1st June 2015, [REDACTED] tonnes in each Payment Period;
- [REDACTED] = The actual total tonnage of Non-Sheffield Residual Waste which is treated and/or disposed of by the Contractor in accordance with the Service Delivery Plan in a manner which does not attract Landfill Tax at the Active Waste rate
- [REDACTED] = The total tonnage of Hardcore, gypsum waste (included in the [REDACTED] amount in paragraph 2.4 above) and chipboard

(included in the WT_t amount in paragraph 2.4 above) arising at the HWRCs and diverted from Landfill in Payment Period t ;

[REDACTED] = The total tonnage of Additional Eastcroft Waste applicable in respect of Payment Period t provided always that in each Contract Year commencing on 1 April 2011 the total tonnage of Additional Eastcroft Waste assumed to be applicable in respect of each Payment Period shall be one twelfth of the actual total tonnage of Additional Eastcroft Waste in respect of the previous Contract Year which shall then be subject to reconciliation in the final Payment Period of each Contract Year based on the actual tonnage of Additional Eastcroft Waste applicable in respect of the relevant Contract Year.

2.8.1 Formula for Calculation of the Recycling and Composting Performance Standard

$$\mathbf{[REDACTED]} = \frac{\mathbf{[REDACTED]} - \mathbf{[REDACTED]} - \mathbf{[REDACTED]} - \mathbf{[REDACTED]} - \mathbf{[REDACTED]}}{\mathbf{[REDACTED]}}$$

Where:

- [REDACTED]** = The Recycling and Composting Performance Standard measured in tonnes in Payment Period t ;
- [REDACTED]** = The total tonnage of Compostable Waste delivered by the WCAs and meeting the relevant Facility Input Specification (Schedule 30) in Payment Period t ;
- [REDACTED]** = The total tonnage of HWRC Household Waste, less Hardcore and Ad-Hoc Waste and all Contract Waste received at Vaughans, Worksop;
- [REDACTED]** = The total tonnage of Recyclable Waste delivered by WCAs and meeting the MRF Input Specification (Schedule 30), up to the maximum of the Design Capacity of the MRF plus any Excess Recyclable Waste accepted by the Contractor for Recycling;
- [REDACTED]** = The total tonnage of Street Cleansing Waste in accordance with the relevant Facility Input Specification (Schedule 30);
- [REDACTED]** = Recycling and Composting Output Standard of the HWRCs as set out in the Table 2.8.1 below.

Table 2.8.1: **[REDACTED]** Output Standards

Year	[REDACTED]
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Year	
Contract Years up to the year ending 31st March 2010	57%
Contract Years between 1 st April 2010 and 31 st March 2014	58%
Contract Years between 1 st April 2014 and 31 st March 2019	59%
Contract Years from 1 st April 2019	60%

2.8.2 Residual Waste Reconciliation

2.8.2.1 For the purpose of this paragraph 2.8.2, the following terms shall have meanings as set out below:

Actual Residual Waste Management Costs means the aggregate of actual [REDACTED] amounts determined in accordance with paragraph 2.3 above and actual [REDACTED] amounts (including the Residual Waste Reconciliation element) determined in accordance with paragraph 2.8.2.2 below in respect of the relevant Contract Year.

Planned Residual Waste Management Costs means the aggregate of [REDACTED] amounts determined in accordance with paragraph 2.3 and [REDACTED] amounts (including the Residual Waste Reconciliation element) determined in accordance with paragraph 2.8 above which would accrue in respect of the relevant Contract Year if the Annual Actual Sheffield Tonnage equalled the Annual Planned Sheffield Tonnage (where the Residual Waste was managed in accordance with the Contractor's Service Delivery Plan). For the avoidance of doubt the Planned Residual Waste Management Costs is based on the cumulative payments as calculated in 2.3 above, (save for the aggregate of [REDACTED] for the relevant Contract Year being replaced by [REDACTED] as set out below.

Annual Actual Sheffield Tonnage [REDACTED] means the aggregate of [REDACTED] amounts (as defined in paragraph 2.3 above) in respect of the relevant Contract Year

Annual Planned Sheffield Tonnage [REDACTED] means the lower of:

- a) [REDACTED] tonnes per annum (pro-rated if the applicable period is less than 12 months); and
- b) 90% of the aggregate in each Contract Year (from 1st June 2015) of:
 - a. Residual Waste delivered by WCAs to the Worksop WTS; and
 - b. Residual Waste delivered by WCAs to the Newark WTS; and

provided always that, if it becomes apparent based on available data that, in respect of any Contract Year, the Annual Planned Sheffield Tonnage is likely to be lower than [REDACTED] tonnes per annum (pro-rated if the applicable period is less than 12 months), the Contractor shall

advise the Authority accordingly and use reasonable endeavours, through its Handling of Residual Waste in accordance with the Interface Plan or otherwise, to increase the amount of Residual Waste Handled through the Sheffield Contract, and to the extent that the Contractor is able to achieve this (or would have achieved it had it advised the Authority accordingly and/or used reasonable endeavours), the Annual Planned Sheffield Tonnage shall be increased by a corresponding amount, subject to the Annual Planned Sheffield Tonnage never exceeding [REDACTED] tonnes per annum (pro-rated if the applicable period is less than 12 months).

2.8.2.2 The Residual Waste Reconciliation [REDACTED] is an annual reconciliation amount (which may be positive or negative) which, in respect of each Contract Year, compares the Annual Actual Sheffield Tonnage against the Annual Planned Sheffield Tonnage.

Where:

[REDACTED] = [REDACTED]

Where:

[REDACTED] = the Burnable Waste Adjustment, determined as set out in paragraph 2.8.2.3 below

[REDACTED] = the Sheffield Underperformance Deduction, determined as set out in paragraph 2.8.2.4 below

[REDACTED] = the Sheffield Overperformance Cost Recovery Adjustment, determined as set out in paragraph 2.8.2.5 below

[REDACTED] = the Sheffield Overperformance Bonus, determined as set out in paragraph 2.8.2.6 below

2.8.2.3 Burnable Waste Adjustment

The Burnable Waste Adjustment [REDACTED] which can never be less than zero, is a payment from the Authority to the Contractor to compensate the Contractor for additional Landfill Tax payable by the Authority in respect of the relevant Contract Year, over and above that included in the Planned Landfill Tonnage calculation in paragraph 2.8 above, to the extent that the Annual Planned Sheffield Tonnage is less than [REDACTED] tonnes per annum (pro-rated if the applicable period is less than 12 months) and shall be calculated as follows:

[REDACTED]

Where:

[REDACTED] = [REDACTED] tonnes per annum (pro-rated if the applicable period is less than 12 months)

██████ = the Annual Planned Sheffield Tonnage as defined in paragraph 2.8.2.1 above

██████ = The Active Landfill Tax Rate for the relevant Contract Year.

2.8.2.4 Sheffield Underperformance Deduction

The Sheffield Underperformance Deduction ██████, which can never be less than zero, represents a Deduction levied on the Contractor to reflect the Council's increased costs (if any) to the extent that the Annual Actual Sheffield Tonnage (██████) is less than the Annual Planned Sheffield Tonnage ██████, and shall be calculated as follows:

If ██████ = ██████

then:

██████

If ██████ = ██████

Then the Sheffield Underperformance Deduction ██████, which shall never be less than zero, shall be:

- a) the Actual Residual Waste Management Costs in respect of the relevant Contract Year; less
- b) the Planned Residual Waste Management Costs in respect of the relevant Contract Year

2.8.2.5 Sheffield Overperformance Cost Recovery Adjustment

The Sheffield Overperformance Cost Recovery Adjustment ([REDACTED]), which shall never be less than zero, represents an adjustment (payable by the Contractor to the Authority) in the event that, in respect of the relevant Contract Year:

- a) the Annual Actual Sheffield Tonnage is greater than the Annual Planned Sheffield Tonnage; and
- b) the Actual Residual Waste Management Costs are greater than the Planned Residual Waste Management Costs.

If either or both of these tests are not satisfied then the Sheffield Overperformance Cost Recovery Adjustment [REDACTED] shall be zero.

If both of these tests are satisfied then [REDACTED] (which shall never be less than zero) shall be:

- c) the Actual Residual Waste Management Costs in respect of the relevant Contract Year; less
- d) the Planned Residual Waste Management Costs in respect of the relevant Contract Year

2.8.2.6 Sheffield Overperformance Bonus

The Sheffield Overperformance Bonus [REDACTED], which shall never be less than zero, represents an incentive payment payable by the Authority to the Contractor in the event that, in respect of the relevant Contract Year:

- a) the Annual Actual Sheffield Tonnage is greater than the Annual Planned Sheffield Tonnage; and
- b) the Actual Residual Waste Management Costs are less than than the Planned Residual Waste Management Costs.

If either or both of these tests are not satisfied then Sheffield Overperformance Bonus [REDACTED] shall be zero.

If both of these tests are satisfied then the, which shall never be less than zero, [REDACTED] shall be 50% of:

- c) the Planned Residual Waste Management Costs in respect of the relevant Contract Year; less
- d) the Actual Residual Waste Management Costs in respect of the relevant Contract Year.

2.9 NNDR & MRF rent pass through

Subject to paragraph 2.9.1 below, where the Contractor pays NNDR in respect of the Facilities identified in the table below (and any new Facilities introduced pursuant to Clause 15 or Clause 107) in Payment Period t, the Contractor shall be reimbursed for such NNDR paid as part of the Unitary Charge payable by the Authority in the Payment Period t.

Similarly, and subject to paragraph 2.9.1 below, where the Contractor is liable to pay a Rent as defined in the MRF Underlease to the Authority in respect of the MRF Facility only, the Contractor shall be reimbursed for such Rent payment as part of the Unitary Charge payable by the Authority in Payment Period t.

Facility
HWRCs as follows:
• Beeston
• Cotham / Newark
• Torworth
• Gedling
• Giltbrook
• Hucknall
• Kirkby
• Langar
• Mansfield
• Retford

<ul style="list-style-type: none"> • Stapleford • Sutton • Warsop • West Bridgford • New Worksop • Calverton Colliery
Transfer Stations as follows: <ul style="list-style-type: none"> • Giltbrook • Newark Area • Bassetlaw Area
MRF
The Composting Facility

2.9.1 The Council shall only be liable to reimburse [REDACTED] of the costs of NNDR and Rent in respect of the MRF in recognition that the Contractor shall be entitled to use [REDACTED] tpa of the [REDACTED] tpa capacity for the processing of third party waste.

2.10 Additional Services

In the event that the Contractor performs additional services (not covered by Schedule 2 (Specification) as from time to time is agreed between the Parties) the Authority shall pay the Contractor for such additional services on the basis as set out in the relevant part (dependent on the nature of the Additional Services) of Schedule 40.

For the avoidance of doubt no payment shall be made by the Authority in respect of Additional Services unless the Contractor's invoice relating to the same is supported by satisfactory documentary evidence that such costs have been incurred and have been properly calculated.

3.INDEXATION

All rates and prices in this Payment Mechanism are at the Price Base Date of 1 April 2005.

Indexation where applicable, shall be applied annually from 1 April in each Contract Year with the first such application being on 1 April 2006.

3.1 Retail Prices Indexation Factor – Cumulative

The Retail Prices Indexation Factor – Cumulative [REDACTED] for the Contract Year (Contract Year y) in which Payment Period t occurs shall be calculated as follows:

$$\frac{\text{[REDACTED]}_t}{\text{[REDACTED]}_{t-1}} \times \frac{\text{[REDACTED]}_{t-1}}{\text{[REDACTED]}_{t-2}} \times \dots \times \frac{\text{[REDACTED]}_{2005}}{\text{[REDACTED]}_{2005}}$$

Where:

- [REDACTED] = the Retail Prices Indexation Factor Cumulative for Contract Year y;
- [REDACTED] = the published [REDACTED] for the January immediately preceding Contract Year y; and
- [REDACTED] = Is the [REDACTED] published for January 2005 [REDACTED]

3.2 Labour (Civil Engineering) Indexation – Cumulative

The Labour (Civil Engineering) Indexation Factor – Cumulative [REDACTED] for the Contract Year (Contract Year y) in which Payment Period t occurs shall be calculated as follows:

$$\text{[REDACTED]}_y = \frac{\text{[REDACTED]}_t}{\text{[REDACTED]}}$$

Where:

- [REDACTED] = the Labour (Civil Engineering) Indexation Factor – Cumulative ([REDACTED]) for the Contract Year (Contract Year y);
- [REDACTED] = the “DTI Civil Engineering Formula Index 1 – Labour and Supervision” for the January immediately preceding Contract Year y; and
- [REDACTED] = is the “DTI Civil Engineering Formula Index 1 – Labour and Supervision” published for January 2005 based on the 1990 Series 210

3.3 Cumulative Indexation Factor

The Cumulative Indexation Factor [REDACTED] for the Contract Year (Contract Year y) in which Payment Period t occurs shall be calculated as follows:

$$[REDACTED]$$

Where:

- [REDACTED] = the Retail Prices Indexation Factor Cumulative for Contract Year y;
- [REDACTED] = the Labour (Civil Engineering) Indexation Factor – Cumulative [REDACTED] for the Contract Year y

3.4 Retail Prices Index

The Retail Prices Index for the Contract Year (Contract Year y) in which Payment Period t occurs shall be calculated as follows:



Where:

- = the Retail Prices Index for Contract Year y;
- = the published ■ for the January immediately preceding Contract Year y; and
- = Is the ■ published for January 2005 ■

4.PERFORMANCE

Performance Deductions will be calculated by reference to the Contractor's performance against the appropriate criteria included in the Performance Mechanism (Schedule 6b).

4.1 Calculation of Total Deduction

The total monthly deduction shall be calculated according to the following formula:

$$\frac{\text{Monthly Deductible Payment} \times \text{Monthly Satisfaction Score} \times \text{Monthly Scorecard Percentage}}{\text{Annual Deductible Payment} \times \text{Annual Satisfaction Score} \times \text{Annual Scorecard Percentage}} \times \text{Reporting Failure Deduction}$$

Where:

- = Monthly Deductible Payment, which is equal to ■■■■ (excluding ■■■■) for Payment Period t;
- = The Monthly Satisfaction Score for Payment Period t, calculated in accordance with the Performance Scorecard in Schedule 6B (Performance Mechanism), calculated in accordance with section 4.3 below;
- = The monthly scorecard percentage, which before the RPP Date shall be ■■■■ and after the RPP Date shall be ■■■■.
- = Annual Deductible Payment, in respect of the Contract Year covering Payment Periods between t-1 and t-12, and applied in the Payment Period ending 31st May each year, shall be the sum of ■■■■ (excluding ■■■■) for the Payment Periods covering the previous Contract Year (ie Payment Periods t-1 to t-12). For all other Payment Periods, ■■■■ will be assumed to be ■■■■;
- = The Annual Satisfaction Score calculated in respect of the Contract Year covering Payment Periods between t-1 and t-12, and applied in the Payment Period ending 31st May each year, assessed using the Performance Scorecard Schedule 6C, calculated in accordance with section 4.2 below. For all other Payment Periods ■■■■ is assumed to be ■■■■;
- = The annual scorecard percentage, which before the RPP Date shall be ■■■■ and from the RPP Date shall be ■■■■.
- = The deduction in respect of any Reporting Failure Deduction in Payment Period t as set out in Table 5.1 of Schedule 6b

(Performance Mechanism).

■

A Repeat Failure Multiplier in respect of any Reporting Failure Deduction as set out in Table 5.2 of Schedule 6b (Performance Mechanism)

Performance Deduction Cap

Notwithstanding any other provision of this Contract, the aggregate of the total monthly and annual deductions in any Contract Year shall not exceed ■ of the total Annual Deductible Payment

4.2 Annual Satisfaction Score

The Annual Satisfaction Score for the Services provided by the Contractor under Contract A in Payment Period t shall be calculated using the following formula:

$$\text{■} = \frac{\text{■}}{\text{■}}$$

Where:

■ = The Annual Satisfaction Score calculated in respect of the Contract Year covering Payment Periods between t-1 and t-12, and applied in the Payment Period ending 31st May each Year. For all other Payment Periods ■ is assumed to be ■

■ = The Total Annual Weighted Score, calculated in accordance with the Performance Mechanism (Schedule 6C) in respect of the Contract Year covering Payment Periods between t-1 and t-12, and applied in the Payment Period ending 31st May each Year. ;

■ The maximum possible Annual Satisfaction Score, being ■

4.3 Monthly Satisfaction Score

The Monthly Satisfaction Score for the services provided by the Contractor under Contract A in Payment Period t shall be calculated using the following formula:

$$\blacksquare = \frac{\blacksquare}{\blacksquare}$$

Where:

\blacksquare = The Monthly Satisfaction Score for Payment Period t

\blacksquare = The Total Monthly Weighted Score, calculated in accordance with the Performance Mechanism (Schedule 6C) in respect of Payment Period t;

\blacksquare = The maximum possible Monthly Satisfaction Score, being \blacksquare

APPENDIX 1

Non Contract Waste Protocol

This Non Contract Waste Protocol sets out the procedure to be followed and the income sharing arrangements to apply where the Contractor proposes to handle Non-Contract Waste at the MRF.

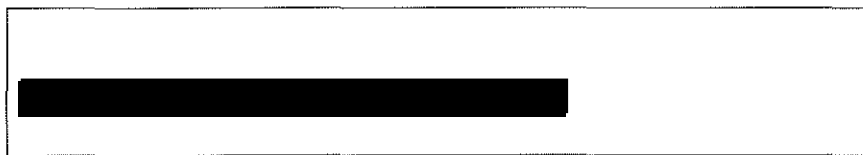
The Contractor has the following obligations under the Contract:

- pursuant to Clause 48(Capacity) to Handle Recyclable Waste meeting the Facility Input Specification for the MRF up to the Design Capacity for the MRF;
- pursuant to Clause 54 (Contract Waste) in all circumstances to Handle Contract Waste in priority to Non-Contract Waste; and
- the Parties shall be subject to the provisions of Clause 44 (Exclusivity).

Accordingly the Contractor shall Handle all Recyclable Waste, to the extent that it is within the Design Capacity of the MRF, in priority to handling Non Contract Waste. The Contractor shall not handle at the MRF Non Contract Waste if to do so would prejudice the Contractor’s ability to meet these obligations.

The Parties agree that the Contractor is able to enter into contracts with third parties to handle Non Contract Waste at the MRF up to [REDACTED] tonnes in any Contract Year (pro-rated for part Contract Years) without the Authority’s consent and in respect of which the third party royalty rebate, as defined by paragraph 2.5 of the Payment Mechanism shall apply.

In the event that the Contractor handles Non Contract Waste at the MRF in excess of [REDACTED] tonnes in any Contract Year (“Additional Non Contract Waste”) the Unitary Charge shall be reduced by a sum calculated as follows:



Where:

- [REDACTED] = Additional Non Contract Waste adjustment in Payment Period t;
- [REDACTED] = The tonnage of Additional Non Contract Waste processed by the Contractor at the MRF in Payment Period t.
- [REDACTED] = Cumulative Indexation Factor

Provided always that [REDACTED] shall never be less than [REDACTED]

APPENDIX 2

The Authority's share of revenue from the sale of recyclate derived from Recyclable Waste sorted at the MRF in excess of a pre-determined amount in respect of the month of March at the end of each Contract Year () shall be calculated as follows:

$$\text{ } = \frac{\text{ } - \text{ }}{\text{ } - \text{ }} \times \text{ }$$

Where:

- = the Recyclate Revenue Share, being the Authority's share of revenue in respect of Recyclable Waste in the relevant Contract Year from the sale of recyclate derived from Recyclable Waste sorted at the MRF, provided always that shall never be less than
- = the sum of the actual (nominal) revenue generated by the Contractor between the 1st April 2014 and the end of the relevant Contract Year from the sale of recyclate derived from Recyclable Waste sorted at the MRF
- = the sum of guaranteed revenue generated by the Contractor between 1st April 2014 and the end of the relevant Contract Year from the sale of recyclate derived from Recyclable Waste sorted at the MRF being the aggregate (in respect of each Contract Year) of the product of:
- in each Contract Year (pro-rated for part years); and
 - being the Retail Prices Indexation Factor Cumulative for Contract Year y calculated in accordance with paragraph 3.1;
- = the Authority's share of revenue from the sale of recyclate derived from Recyclable Waste sorted at the MRF in excess of the guaranteed base case amount, being:
- up to and including the Contract Year ending on 31st March 2020,
 - from the Contract Year starting on 1st April 2020,
- = the aggregate of the Recyclate Revenue Share amounts in respect of all preceding Contract Years

SCHEDULE 6B
PERFORMANCE MECHANISM
CONTRACT A
(MJA MARK UP FOR FOI 31/03/08)

1. INTRODUCTION

1.1 This Performance Mechanism relates to the monitoring of Availability and performance compared with KPIs defined in Schedule 7 and comprises:

Part 1: Performance Mechanism

Part 2: Performance Scorecard.

1.2 Save as expressly provided otherwise the Performance Mechanism shall apply in full throughout the Contract Period.

1.3 The Contractor shall:

1.3.1 in accordance with the performance monitoring programme (included as part 10 of Schedule 23 (Service Delivery Plan) ("Performance Monitoring Programme")) monitor the Contractor's compliance with the KPIs;

1.3.2 in accordance with the procedure and formulae set out in Schedule 6a (Payment Mechanism) calculate the Performance Deductions and/or Availability Payments; and

1.3.3 each Payment Period produce a Performance Monitoring Report in accordance with Schedule 25 (Reporting).

2. PERFORMANCE MONITORING PROGRAMME

2.1 The Contractor shall at all times be responsible for the accurate monitoring, recording and reporting of its performance of the Services and of compliance with, or default under, the Performance Mechanism.

2.2 The Contractor shall implement the Performance Monitoring Programme included in the Service Delivery Plan.

2.3 The Performance Monitoring Programme shall be updated by the Contractor on an annual basis as part of its update of the Service Delivery Plan.

3. PERFORMANCE MONITORING REPORTS

3.1 As part of the Monthly and Annual Reports, the Contractor shall submit to the Authority in accordance with this Performance Mechanism, Schedule 25 (Reporting) and Schedule 23 (Service Delivery Plan) a Performance Monitoring Report.

4. REPORTING FAILURE

4.1 In the event that a Reporting Failure has occurred, or has been notified to the Contractor by the Authority, in respect of a KPI which it is the Contractor’s responsibility to monitor or inspect of the Availability of the MRF or a Delivery Point, then a Reporting Failure Deduction shall be made. The Contractor shall include all calculations for any Reporting Failure Deduction in the Performance Monitoring Report for the following Payment Period.

4.2 The Reporting Failure Deduction in respect of each event related to a Reporting Failure in respect of any KPI or Availability of the MRF or a Delivery Point shall be as set out in Table 4.1:

Table 4.1: Reporting Failure Deductions

Monthly KPIs		Reporting Failure Deduction per event
1A	Average WCA vehicle turnaround times	Redacted
1B	Maximum WCA vehicle turnaround times	Redacted
2	Delivery Point Capacity	Redacted
3	Reporting	Redacted
10	Contract Interface Issues	Redacted
Annual KPIs		
4	HWRC Service User Satisfaction	Redacted
5	Recycling Performance	Redacted
6	Landfill Diversion Performance	Redacted
7	Greenhouse Gas Emissions	Redacted
8	Operational and Environmental	Redacted

	Performance	
9	Sustainability Performance	Redacted
Availability		
MRF		Redacted
HWRC		Redacted
Delivery Points		Redacted

- 4.3 Where there is more than one instance of a Reporting Failure within, any **Redacted** period, the Repeated Failure Multiplier will be applied to the last Reporting Failure Deduction levied as a result of such event, as set out in Table 4.2.

Table 4.2: Repeated Failure Multipliers

Number of Failures within Repeated Failure Period	Repeated Failure Multiplier
1	Redacted
2	Redacted
3	Redacted
4	Redacted
5 and above	Redacted

5. MAINTENANCE OF PERFORMANCE MONITORING RECORDS

- 5.1 The Contractor shall keep up to date performance monitoring records for each Facility and relevant parts of the Service, in an accessible and readable format and shall permit access to them free of charge to the Authority on reasonable notice.
- 5.2 Pursuant to Clauses 78, 110, 114, 123 and 124, the Authority shall have the right to observe, inspect and satisfy itself as to the adequacy and accuracy of the performance monitoring procedures carried out by the Contractor including without limitation:
- (a) reports generated by the Contractor’s management information systems or building management systems;
 - (b) work plans;
 - (c) completion of programmed work;
 - (d) the reasonableness of rectification periods;
 - (e) complaints, comments and compliments.

5.3 Where the Authority reasonably believes that the Contractor has not complied with the Performance Monitoring Programme or any other provision of the Contract, the Authority can direct the Contractor to improve the manner in which it conducts its inspections or monitors its performance, and the Contractor shall comply with such direction.

6. PERFORMANCE DEFAULT NOTICE AND TERMINATION NOTICE TRIGGERS

6.1 If a non-compliance with any KPI defined in Schedule 7, or the total of non-compliances for Monthly and/or Annual KPIs equates to any Performance Default Notice Trigger set out in Table 6.1 below, the Authority may by way of warning only issue a Performance Default Notice.

6.2 Following the issuing of a Performance Default Notice, if a Repeated Performance Failure against the same KPI or the total non-compliances for Monthly and/or Annual KPIs (all such failures or non-compliances (or the constituent parts thereof) arising after the date of service of the Performance Default Notice) leads to a Performance Default Notice trigger again being reached within the Repeated Performance Failure Period set out in Table 6.1 below, this shall trigger the issuing of a Final Performance Default Notice.

Table 6.1 – Performance Default Notice Triggers and Repeated Failure Periods

Monthly KPIs		Performance Default Notice Triggers			Repeated Performance Failure Period
1A	Average WCA vehicle turnaround times	Redacted	Redacted	Redacted	Redacted
1B	Maximum WCA vehicle turnaround times	Redacted	Redacted	Redacted	Redacted
2	Delivery Point Capacity	Redacted	Redacted	Redacted	Redacted
3	Reporting	Redacted	Redacted	Redacted	Redacted
10	Contract Interface Issues	Redacted	Redacted	Redacted	Redacted
Total for all Monthly KPIs		Redacted	Redacted	Redacted	Redacted
Monthly KPIs		Performance Default Notice Triggers			Repeated Performance Failure Period
4	HWRC Service User Satisfaction	Redacted	Redacted	Redacted	Redacted
5	Recycling Performance	Redacted	Redacted	Redacted	Redacted

Schedule 6b – Performance Mechanism

6	Landfill Diversion Performance	Redacted	Redacted	Redacted	Redacted
7	Greenhouse Gas Emissions	Redacted	Redacted	Redacted	Redacted
8	Operational and Environmental Performance	Redacted	Redacted	Redacted	Redacted
9	Sustainability Performance	Redacted	Redacted	Redacted	Redacted
Total for all Annual KPIs		Redacted	Redacted	Redacted	Redacted

- 6.3 In addition to annual reporting, the Contractor will be obliged to report performance to date against the Annual KPIs set out in Table 6.1 for each Payment Period. If this report leads the Authority, acting reasonably, to believe that KPI6 (Performance Standard for BMW Landfill Diversion) may be missed at the end of the Contract Year, the Authority may serve a Performance Default Notice on the Contractor. The Repeated Failure Period which would trigger the issuing of a Final Performance Default Notice for such a Performance Default Notice shall be **Redacted**. For the avoidance of doubt a Final Performance Default Notice shall not be issued in respect of any Contract Year in respect of which a Performance Default Notice has already been issued.
- 6.4 If the value of Performance Deductions in any Contract Year exceeds any Performance Deduction Cap, the Authority may serve a Performance Default Notice on the Contractor. The Repeated Failure Period which would trigger the issuing of a Final Performance Default Notice for such a Performance Default Notice shall be **Redacted**.

Part 2: Performance Scorecard

APPENDIX A

Performance Scorecard - Contract A

KEY PERFORMANCE INDICATOR	CRITICAL CRITERIA	MEASUREMENT	SCORING MATRIX												ACTUAL SCORE (to be assessed for each payment period)	WEIGHT	WEIGHTED SCORES			
			SCORE, 10 MARKS IF INSTANCES =	SCORE, 9 MARKS IF INSTANCES =	SCORE, 8 MARKS IF INSTANCES =	SCORE, 7 MARKS IF INSTANCES =	SCORE, 6 MARKS IF INSTANCES =	SCORE, 5 MARKS IF INSTANCES =	SCORE, 4 MARKS IF INSTANCES =	SCORE, 3 MARKS IF INSTANCES =	SCORE, 2 MARKS IF INSTANCES =	SCORE, 1 MARK IF INSTANCES =	SCORE, 0 MARKS IF INSTANCES =	MONTHLY WEIGHTED SCORE			MAX MONTHLY WEIGHTED SCORE			
			(a)	(b)	= (a) x (b)	= 10 x (b)														
KPI1A	WCA Collection Vehicle Turnaround Times at Delivery Points	WCA vehicle turnaround times at Delivery Points shall be less than the maximum allowable as defined in the KPIs (Schedule 7)	Number of minutes the average turnaround time for WCA vehicles exceeds the specified maximum	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI1B	WCA Collection Vehicle Turnaround Times at Delivery Points	WCA vehicle turnaround times at Delivery Points shall be less than the maximum allowable as defined in the KPIs (Schedule 7)	Number of incidences per month where the turnaround time for any particular WCA vehicle exceeds the specified maximum	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI2	Delivery Point Capacity for Contract Waste Delivery Vehicles	When there is a queue comprising more than two vehicles, the number of vehicles within Delivery Points at any point in time shall be no less than the Delivery Point Capacity defined in the KPIs (Schedule 7)	Number of incidences per month where the Delivery Point Capacity is not achieved	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI3	Accuracy, Completeness and Timeliness of Reporting	Monthly and annual reports to be submitted to the Council in accordance with the Schedule 25 (Reporting)	Number of days delay in submission of Final Reports that are agreed as complete, accurate and in the required format	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI10	Interface Service Obligations	Compliance with Interface Service Obligations, as defined in the KPIs (Schedule 7)	Failure to achieve the relevant objectives, as set out in the KPIs (Schedule 7)	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
TOTAL MONTHLY WEIGHTED SCORE [Progress Bar]																TOTAL MONTHLY SATISFACTION SCORE [Progress Bar]				

KEY PERFORMANCE INDICATOR	CRITICAL CRITERIA	MEASUREMENT	SCORING MATRIX												ACTUAL SCORE (to be assessed for each Contract Year)	WEIGHT	WEIGHTED SCORES			
			SCORE, 10 MARKS IF INSTANCES =	SCORE, 9 MARKS IF INSTANCES =	SCORE, 8 MARKS IF INSTANCES =	SCORE, 7 MARKS IF INSTANCES =	SCORE, 6 MARKS IF INSTANCES =	SCORE, 5 MARKS IF INSTANCES =	SCORE, 4 MARKS IF INSTANCES =	SCORE, 3 MARKS IF INSTANCES =	SCORE, 2 MARKS IF INSTANCES =	SCORE, 1 MARK IF INSTANCES =	SCORE, 0 MARKS IF INSTANCES =	ANNUAL WEIGHTED SCORE			MAX ANNUAL WEIGHTED SCORE			
			(y)	(z)	= (y) x (z)	= 10 x (z)														
KPI4	HWRC Service User Satisfaction	Continuous year-on-year improvement in the satisfaction of HWRC maintenance or service users as defined in the KPIs (Schedule 7)	Percentage that the number of HWRC service users satisfied with the service in Contract Year y, as a percentage of total site users as measured by annual customer survey, is less than that for Contract Year y-1	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI5	Performance Standards for Recycling and Composting	To meet the total Recycling and Composting performance standards as defined in the KPIs (Schedule 7)	Failure to meet the total Recycling and Composting performance standard defined in the Output Specification expressed as the number of tonnes (t) the actual Recycling and Composting performance falls short of the target in a Contract Year	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI6	Performance Standards for diversion of BMW Landfill Diversion	To meet the total performance standards for BMW Landfill Diversion as defined in the KPIs	Failure to meet the BMW Landfill Diversion performance standard defined in Schedule 7 expressed as the number of tonnes (t) the actual BMW Landfill Diversion falls short of the performance standard in a Contract Year (or pro-rated for part of a Contract Year).	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI7	Greenhouse Gas Emissions	As defined in the KPIs (Schedule 7)	Failure to achieve the relevant objectives, as set out in the KPIs (Schedule 7)	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI8	Operational and Environmental Performance	To meet the objectives for improving operational and environmental performance set out in the KPIs (Schedule 7) as agreed annually with the Council	Percentage of annual objectives described in the KPIs (Schedule 7) achieved	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
KPI9	Sustainability Performance	To meet the standards for activities to promote waste minimisation and recycling, community education and liaison set out in the KPIs (Schedule 7) as agreed annually with the Council	Percentage of annual objectives described in the KPIs (Schedule 7) achieved	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]	[Progress Bar]				
TOTAL ANNUAL WEIGHTED SCORE [Progress Bar]																TOTAL ANNUAL SATISFACTION SCORE [Progress Bar]				