

Schedule 32 (Benchmarking and Market Testing)

1. GENERAL

1.1 The following definitions shall in addition to the definitions in Schedule 1 (Definitions) be used for the interpretation of this Schedule 32 (Benchmarking and Market Testing):

1.1.1 "Ad Hoc Waste Market Testing Date" has the meaning given in paragraph 5.4;

1.1.2 "Ad Hoc Waste Rate" has the meaning given in paragraph 5.1;

1.1.3 "Benchmarking" means the process described in paragraph 2 of this Schedule 32 (Benchmarking and Market Testing) to compare prices for the HWRC Services and the term "benchmarked" shall be construed accordingly;

1.1.4 "Benchmarking Exercise" has the meaning given in paragraph 2.1;

1.1.5 "Market Tested Residual Waste" has the meaning given in paragraph 2.3(c) of Schedule 6a (Payment Mechanism);

1.1.6 "HWRC Benchmarking Date" has the meaning given in paragraph 2.3;

1.1.7 "HWRC Benchmarking Final Proposals" has the meaning given in paragraph 2.6;

1.1.8 "HWRC Benchmarking Proposals" has the meaning given in paragraph 2.4.4;

1.1.9 "HWRC Benchmarking Schedule" has the meaning given in paragraph 2.5;

1.1.10 "HWRC Services Review" has the meaning given in paragraph 2.4;

1.1.11 "Residual Waste Treatment and/or Landfill Market Testing Date" has the meaning given in paragraph 4.1;

1.1.12 "Residual Waste Treatment and/or Landfill Market Testing Proposals" has the meaning given in paragraph 4.4;

1.1.13 "Residual Waste Treatment and/or Landfill Services Proposal" has the meaning given in paragraph 4.16;

1.1.14 "Latest Services Element" has the meaning given in paragraph 2.9;

- 1.1.15 "Market Costs" has the meaning given in paragraph 2.9;
- 1.1.16 "Market Testing" means the process described in paragraph 3 of this Schedule 32 (Benchmarking and Market Testing) to competitively test prices for the Residual Waste Treatment and/or Landfill Services and the term "market tested" shall be construed accordingly;
- 1.1.17 "Market Testing Proposal" means the draft proposal, as agreed by the Parties, or as determined, in either case in accordance with this Schedule 32 (Benchmarking and Market Testing);
- 1.1.18 "Market Testing Review Date" means the Residual Waste Treatment and/or Landfill Market Testing Date or the relevant Ad Hoc Waste Market Testing Date as applicable;
- 1.1.19 "Market Tested Services" means the Residual Waste Treatment and/or Landfill Service and the Management of Ad Hoc Waste;
- 1.1.20 "Municipal Waste Management Strategy" or "MWMS" has the meaning given in paragraph 2.4.3;
- 1.1.21 "Successful Tenderer" has the meaning given in paragraph 4.18;
- 1.1.22 "Tender" means the tender submitted by a Tenderer;
- 1.1.23 "Tender Documents" has the meaning given in paragraph 3.4.4 and paragraph 5.5 (as the case may be); and
- 1.1.24 "Tenderer" means those of the prospective tenderers selected to submit Tenders in accordance with paragraph 3.4.3 of this Schedule 32 (Benchmarking and Market Testing).
- 1.2 The HWRC Services shall be subject to Benchmarking throughout the Service Period as set out in this Schedule 32 (Benchmarking and Market Testing).
- 1.3 The following Services shall be subject to Market Testing throughout the Service Period as set out in this Schedule 32 (Benchmarking and Market Testing):
 - 1.3.1 Residual Waste Treatment and/or Landfill Services of Market Tested Residual Waste (subject to the exclusions of Waste identified in paragraph 4.2 of this Schedule 32) and
 - 1.3.2 Management of Ad Hoc Waste.

2. HWRC SERVICES: BENCHMARKING

- 2.1 The Contractor shall undertake a benchmarking exercise (the "Benchmarking Exercise") at its own cost in relation to the HWRC Services in accordance with the procedure and on the dates identified in this Schedule 32 (Benchmarking and Market Testing).
- 2.2 Each Benchmarking Exercise will be undertaken to ascertain the relative quality and competitiveness of the HWRC Services in question. The Benchmarking Exercise will be undertaken in good faith by the Contractor and so far as reasonably practicable on the basis of an objective and like for like comparison by comparing the standards and prices of the HWRC Services in question and the costs of providing them with the standards and prices of equivalent services and the costs of providing them provided by reputable organisations possessing an appropriate degree of skill, resources, reputation and financial standing relative to the provision of the HWRC Services in question.
- 2.3 The first HWRC Benchmarking Date shall be 1st April 2011. Thereafter HWRC Benchmarking Dates shall occur every five (5) Years, unless otherwise agreed by the Parties.
- 2.4 The Contractor's annual Service Delivery Plan for the Contract Year immediately preceding the Contract Year which begins on the HWRC Benchmarking Date shall include a review of the HWRC Services being provided (the "HWRC Services Review"), including without limitation:
- 2.4.1 a comparison of the levels of performance, by reference to KPIs 3, 4, 5, 6, 7, 8 and 9, achieved by the Contractor compared to:
- (a) those achieved nationally;
 - (b) those achieved in all immediately adjacent WDAs;
 - (c) those WDAs assessed by CIPFA to be most comparable to Nottinghamshire;
- 2.4.2 an analysis of the HWRC Services, comparing the cost of delivering each element of the HWRC Services including, without limitation, details of:
- (a) the quantity of Contract Waste handled;
 - (b) the Recycling and Composting performance;
 - (c) the Contract Waste BMW Landfill Diversion performance; and

- (d) the BMW Landfill Diversion performance;
 - 2.4.3 a comparison of the HWRC Services with the Authority's Municipal Waste Management Strategy (the "MWMS") extant at the next forthcoming HWRC Benchmarking Date and other applicable Authority Policies; and
 - 2.4.4 the Contractor's indicative proposals (the "HWRC Benchmarking Proposals") for improving the HWRC Services to achieve higher levels of performance, improved cost effectiveness and compatibility with the Authority's MWMS, including indicative costs (compared to the prevailing HWRC Services) and revised KPIs.
- 2.5 Based on the HWRC Services Review, the Authority shall provide to the Contractor, no less than thirty-nine (39) weeks before the HWRC Benchmarking Date, a schedule (the "HWRC Benchmarking Schedule") setting out the revised scope of HWRC Services which the Authority proposes the Contractor shall provide from the HWRC Benchmarking Date.
- 2.6 No less than twenty-six (26) weeks before the HWRC Benchmarking Date, the Contractor shall provide the Authority with its proposals for implementing the revised scope of HWRC Services set out in the HWRC Benchmarking Schedule, including without limitation:
- 2.6.1 rates, prices, and charges for the revised scope of HWRC Services to be provided from the HWRC Benchmarking Date and details of the specific elements of the Financial Model which are subject to change as a result of this revised scope of HWRC Services and the amendments required as provided within Schedule 40 (Unitary Charge Adjustment Protocol).
 - 2.6.2 a revised Service Delivery Plan for the HWRC Services to be provided from the HWRC Benchmarking Date. This shall clearly identify the KPIs which would form the basis of assessing the effectiveness and value for money of the revised HWRC Services compared with previous HWRC Services. For the avoidance of doubt, any such proposals shall only be made in relation to KPIs 3, 4, 5, 6, 7, 8 and 9;
 - 2.6.3 justification that the rates, prices and charges made by reputable organisations possessing an appropriate degree of skill, resources, reputation and financial standing relative to the provision of the HWRC Services represent good value for money when compared with services which are comparable to the HWRC Services with comparable KPIs being delivered in other comparable WDA areas, together such proposals to be referred to as the "HWRC Benchmarking Final Proposals".

- 2.7 The Authority shall request such additional information as it may require to assess the Contractor's HWRC Benchmarking Final Proposals within four (4) weeks of receipt by the Authority of the HWRC Benchmarking Final Proposals. The Contractor shall provide any such additional information within four (4) weeks of request by the Authority.
- 2.8 No less than thirteen (13) weeks before the HWRC Benchmarking Date, the Authority shall either:
- 2.8.1 by giving written notice to the Contractor, accept the Contractor's HWRC Benchmarking Final Proposals for undertaking HWRC Services from the HWRC Benchmarking Date, in which case such revised HWRC Services shall commence from the HWRC Benchmarking Date;
 - 2.8.2 by giving written notice to the Contractor, accept the Contractor's HWRC Benchmarking Final Proposals in respect of the revised HWRC Services which shall commence from the HWRC Benchmarking Date, but refer the rates, prices and charges for determination in accordance with Clause 116 (Dispute Resolution), in which case the Adjudicator's decision shall be binding; or
 - 2.8.3 by giving written notice to the Contractor, reject the Contractor's HWRC Benchmarking Final Proposals, in which case the prevailing Services, KPIs, rates, prices and charges shall continue beyond the HWRC Benchmarking Date.
- 2.9 Following the acceptance of the HWRC Benchmarking Proposal by the Authority or determination in accordance with paragraphs 2.8.1 or 2.8.2 above, the rates, prices and charges in Schedule 6a (Payment Mechanism) paragraph 2.4 Part C Household Waste Recycling Centre Services in CPR_t shall be amended to reflect the revised rate as a result of the Benchmarking exercise and any changes to the Unitary Charge will be made in accordance with Schedule 40 (Unitary Charge Adjustment Protocol).

3. MARKET TESTING

3.1 The Contractor shall manage the Market Testing tendering process in accordance with the Market Testing Proposal agreed or determined in accordance with this Schedule 32 (Benchmarking and Market Testing).

3.2 Market Testing shall be carried out at the Contractor's own cost.

3.3 For the avoidance of doubt, the Contractor shall bear only its own costs, fees and expenses associated with the Market Testing.

3.4 Where this Contract requires Market Testing, as soon as reasonably practicable before each Market Testing Review Date (subject to paragraph 4.4 in respect of Residual Waste Treatment and/or Landfill Services and in any event prior to thirty-nine (39) weeks before the Market Testing Review Date) the Parties shall endeavour to agree:

3.4.1 any changes required to the relevant Market Tested Service;

3.4.2 the appropriate manner of advertising the Market Tested Services required;

3.4.3 the number and identity of prospective Tenderers that will be invited to prepare and submit Tenders for the Market Tested Services in question. Notwithstanding any provision in this Schedule 32 (Benchmarking and Market Testing), where practicable and subject to availability no less than three (3) Tenderers will be invited to prepare and submit Tenders provided that subject to paragraph 3.4.4 (b) any prospective Tenderer shall possess an appropriate degree of skill, resources, reputation and financial standing relative to the provision of the Market Tested Services in question (and any dispute as to the selection of a prospective Tenderer shall be determined in accordance with the Dispute Resolution); and

3.4.4 the form and contents of the Tender documents to be delivered to prospective Tenderers (the "Tender Documents") which shall include:

(a) a statement of the Tender validity period;

(b) details of the Tender evaluation criteria;

(c) the terms and conditions under which the Market Tested Services will be contracted;

(d) information relating to employees and their conditions of employment;

- (e) the information that Tenderers are required to provide;
- (f) how many Tenders are required for the Market Testing to be valid; and
- (g) the Operational Services Specification.

4. RESIDUAL WASTE TREATMENT and/or LANDFILL SERVICES: MARKET TESTING

4.1 The first Landfill Market Testing Date for Market Tested Residual Waste from the RPP Date shall be 1st April 2017. Thereafter, Residual Waste Treatment and/or Landfill Market Testing Dates shall occur every five (5) years, unless otherwise agreed by the Parties.

4.2 For the avoidance of doubt Sheffield Waste and (save as provided in paragraph 4.3 below) Ashfield / Mansfield Tonnage (as determined in accordance with paragraph 2.3B of Schedule 6a (Payment Mechanism)) will not be subject to Residual Waste Treatment and/or Landfill Services Market Testing (Other than with regard to the provision in Schedule 6a (Payment Mechanism) section 2.3B (c))

4.3 The Parties have agreed that, in accordance with the provisions of Schedule 32A, the Authority may at its own cost and risk conduct a Mansfield and Ashfield Market Test in the specific circumstances set out in and in accordance with Schedule 32A but not otherwise.

4.4 No less than thirty-nine (39) weeks before the Residual Waste Treatment and/or Landfill Market Testing Date, the Contractor shall prepare and submit to the Authority its proposals for Market Testing of Residual Waste Treatment and/or Landfill Services (the " Residual Waste Treatment and/or Landfill Market Testing Proposals") describing in detail the Contractor's proposed Tenderers and the Tender Documents.

4.5 The Residual Waste Treatment and/or Landfill Market Testing Proposals shall include, without limitation:

4.5.1 subject to paragraph 4.5A below, a list of those Residual Waste Treatment and/or Landfill operators from which the Contractor proposes to seek bids. Unless otherwise agreed, this shall include all Residual Waste Treatment and/or Landfill operators within thirty (30) miles of any Delivery Point and (where practicable) a minimum of three (3) Residual Waste Treatment and/or Landfill operators in respect of all parts of the Contract Area;

4.5.2 a proposed specification and sub-contract terms, which shall be in all material respects consistent with the provisions of this Contract, including but not limited to Schedule 2

(Specification) and Schedule 6b (Performance Mechanism);
and

- 4.5.3 a schedule setting out the proposed tonnages it is proposed will be subject to treatment and/or Landfill in the period up to the next Residual Waste Treatment and/or Landfill Market Testing Date.
- 4.5A The parties, acting reasonably may also agree that Residual Waste Treatment and/or Landfill facilities which are further than thirty (30) miles of any Delivery Point may be included in the market testing, subject to the Contractor demonstrating the additional haulage costs which would apply to such facilities which would leave the Contractor in a 'no better and no worse' position, as set out in Clause 111.4.
- 4.6 The Authority shall either:
 - 4.6.1 comment on the Contractor's Residual Waste Treatment and/or Landfill Market Testing Proposals within fourteen (14) days, in which case the Contractor shall take into account the Authority's comments in the Tenders it seeks; or
 - 4.6.2 not offer comment on the Contractor's Residual Waste Treatment and/or Landfill Market Testing Proposals within fourteen (14) days in which case the Contractor shall proceed to invite Tenders as proposed.
- 4.7 No less than twenty-six (26) weeks before the Residual Waste Treatment and/or Landfill Market Testing Date, the Contractor shall commence conducting the Market Testing of Residual Waste Treatment and/or Landfill Services in accordance with the Residual Waste Treatment and/or Landfill Market Testing Proposals.
- 4.8 The Contractor shall be responsible for compiling the list of prospective Tenderers and selecting the Tenderers from the list of prospective Tenderers.
- 4.9 The Contractor shall issue the Tender Documents to prospective Tenderers.
- 4.10 The Authority shall have the right to object to the selection of a Tenderer where the Tenderer has committed a Prohibited Act by notifying the Contractor of such objection in writing and such Tenderer shall not be selected.
- 4.11 The Contractor shall provide to the Authority as soon as reasonably practicable a copy of the Tender Documents and each response to the Tender Documents.
- 4.12 Subject to paragraph 4.11, following the expiry of the Tender period for the return of responses to the Tender Documents (which shall be no later than twenty (20) weeks before the Residual Waste Treatment

and/or Landfill Market Testing Date) the Contractor shall determine, following consultation with the Authority, which Tender to select, if any, in respect of the Residual Waste Treatment and/or Landfill Services.

- 4.13 No less than sixteen (16) weeks before the relevant Market Testing Review Date, the Contractor shall select:
- 4.13.1 in respect of Tenders for the provision of an individual Market Tested Service, the most economically advantageous Tender received in respect of the provision of that Market Tested Service; and
 - 4.13.2 in respect of Tenders for the provision of more than one (1) Market Tested Services, the most economically advantageous Tender in respect of the provision of those Market Tested Services, provided that in respect of Residual Waste Treatment and/or Landfill Services only nothing in this Schedule 32 (Benchmarking and Market Testing) shall oblige the Contractor to accept the lowest priced Tender.
- 4.14 On making this determination, the Contractor shall supply to the Authority a copy of its Tender evaluation, together with sufficient supporting information concerning the Tender evaluation to enable the Authority to analyse and understand the basis for the Contractor's determination.
- 4.15 If the Authority does not agree with the Contractor's determination, the Authority may, within fifteen (15) Business Days of being provided with the Tender evaluation, dispute such determination and, if the Parties do not resolve such dispute within a further fifteen (15) Business Days, the dispute shall be dealt with in accordance with Clause 116 (Dispute Resolution).
- 4.16 The Contractor shall provide any prospective Tenderer which is unsuccessful in being selected with an explanation of the reasons behind its non-selection, if so requested by the person in question.
- 4.17 No less than eight (8) weeks before the Residual Waste Treatment and/or Landfill Market Testing Date, the Contractor shall provide the Authority with its proposals for providing Residual Waste Treatment and/or Landfill Services (the " Residual Waste Treatment and/or Landfill Services Proposal") up to the next Residual Waste Treatment and/or Landfill Market Testing Date.
- 4.18 The Residual Waste Treatment and/or Landfill Services Proposal shall include without limitation:
- 4.18.1 all rates, prices and charges received;

- 4.18.2 the Contractor to provide details of calculation, including transport costs and Tipping Away Payments, and rates for the Residual Waste Treatment and/or Landfill Services to be provided from the Residual Waste Treatment and/or Landfill Services Market Testing Date;
 - 4.18.3 a revised Service Delivery Plan for the Residual Waste Treatment and/or Landfill Services to be provided from the Residual Waste Treatment and/or Landfill Market Testing Date; and
 - 4.18.4 justification that the rates, prices and charges represent good value for money for the Authority.
- 4.19 The Authority shall request such additional information as it may require to assess the Contractor's Residual Waste Treatment and/or Landfill Services Proposal within three (3) weeks of receipt by the Authority of the Residual Waste Treatment and/or Landfill Services Proposal. The Contractor shall provide any such additional information within three (3) weeks of request by the Authority.
- 4.20 No less than three (3) weeks before the Residual Waste Treatment and/or Landfill Market Testing Date, the Authority shall either:
- 4.20.1 by giving written notice to the Contractor, accept the Contractor's Residual Waste Treatment and/or Landfill Services Proposal for undertaking Residual Waste Treatment and/or Landfill Services from the Residual Waste Treatment and/or Landfill Market Testing Date, in which case such revised Residual Waste Treatment and/or Landfill Services shall commence from the Residual Waste Treatment and/or Landfill Market Testing Date;
 - 4.20.2 by giving written notice to the Contractor, accept the Contractor's Residual Waste Treatment and/or Landfill Services Proposal in respect of the Residual Waste Treatment and/or Landfill Services which shall commence from the Residual Waste Treatment and/or Landfill Market Testing Date, but refer the rates, prices and charges for determination in accordance with Clause 116 (Dispute Resolution), in which case the Adjudicator's decision shall be binding.
- 4.21 Following the acceptance of the Contractor's Residual Waste Treatment and/or Landfill Services Proposal by the Authority or determination in accordance with paragraphs 4.18.1 and 4.18.2 above, the rates, prices and charges in Schedule 6a (Payment Mechanism) paragraph 2.3 Part B Residual Waste Management and Treatment Disposal Services (being 'BR' and, to the extent that the provisions of paragraph 4.5A apply, 'TR' and 'HTR') shall be amended to reflect the revised rates and inflated in accordance with the tender

proposal for the duration of the tender period as a result of the Market Testing exercise applied in accordance with paragraph 5.5.1 of Schedule 40 (Unitary Charge Adjustment Protocol).

- 4.22 Any dispute under this paragraph 4 shall be determined in accordance with the Dispute Resolution Procedure.

5. **MANAGEMENT OF AD HOC WASTE: MARKET TESTING**

- 5.1 The Contractor shall maintain a rate (the "Ad Hoc Waste Rate") comprising a market tested unit rate for each of the Ad Hoc Waste types including all transport, treatment and disposal costs.
- 5.2 The Ad Hoc Waste Rate shall be derived from Tenders received from no less than three (3) Tenderers, subject to availability, in respect of each Ad Hoc Waste type.
- 5.3 The Contractor shall, from time to time pursuant to paragraph 5.4, seek Tenders from suitably experienced organisations who are capable of managing the Ad Hoc Waste in accordance with the Waste Hierarchy, Schedule 2 (Specification) and Good Industry Practice.
- 5.4 The Contractor shall re-tender the Management of Ad Hoc Waste on an on-going basis to suit market conditions, unless otherwise agreed between the Parties, and will agree with the Authority the dates on which the re-tendered Ad Hoc Waste Rates will apply (the relevant "Ad Hoc Waste Market Testing Date").
- 5.5 The Contractor shall provide to the Authority a list of proposed Tenderers for each Ad Hoc Waste type, a specification and a schedule of terms (the "Tender Documents").
- 5.6 The Authority shall either:
 - 5.6.1 comment on the Contractor's proposals within fourteen (14) days, in which case the Contractor shall take into account the Authority's comments in the Tenders it seeks; or
 - 5.6.2 not offer comment on the Contractor's proposals within fourteen (14) days in which case the Contractor shall proceed to invite Tenders as proposed.
- 5.7 The Contractor shall issue the Tender Documents to prospective Tenderers.
- 5.8 Following the expiry of the Tender period for the return of responses to the Tender Documents (which shall be no later than twenty (20) weeks before the relevant Ad Hoc Waste Market Testing Date) the Contractor shall determine which Tender to select, if any, in respect of the Management of Ad Hoc Waste.
- 5.9 Notwithstanding the provisions of paragraph 4.11, the Contractor shall be bound to accept the lowest ex-works unit rate tendered in respect of each Ad Hoc Waste type, unless the Contractor can demonstrate to the reasonable satisfaction of the Authority's Representative that accepting such a Tender would put the Contractor in breach of the Contract. In this scenario, the margin payable to the Contractor over

and above the Ad Hoc Waste Rate in accordance with Schedule 6a (Payment Mechanism) shall relate to the lowest tendered price.

- 5.10 The unit rate for the relevant Ad Hoc Waste type will apply from the Ad Hoc Waste Market Testing Date and any adjustments to the Unitary Charge will be made in accordance with the provisions of Schedule 40 (Unitary Charge Adjustment Protocol).

6. HWRC Review of Designated Waste Streams

6.1 Gypsum¹

6.1.1 No later than 1st February each year the Contractor shall review GR_t (the Tonnage Rate for gypsum waste) unless otherwise agreed by the Parties.

6.1.2 The Contractor shall provide to the Authority its proposals for the management of gypsum waste, including:

- (a) a list of treatment delivery points;
- (b) a schedule setting out the tonnages the Contractor forecasts to Handle in the review period;
- (c) an input specification for treatment of gypsum waste;
- (d) the proposed Tonnage Rate for gypsum waste (GR_t) in respect of the relevant Contract Year, which shall be the aggregate of:
 - (i) relevant haulage costs (per tonne)
 - (ii) relevant treatment costs (per tonne);
 - (iii) all other costs associated with the Handling of the gypsum waste, plus overheads and profit, which in the aggregate the Parties agree shall be an amount equal to £31.46 per tonne, at a price base date of 1 April 2014, indexed in respect of each Contract Year based on the annual change to RPIx over the previous 12 months; and
- (e) a revised Service Delivery Plan.

6.1.3 The Authority shall either:

- (a) Within three (3) weeks give written notice to the Contractor, accepting the Contractor's gypsum waste proposal in which case such proposal shall be implemented from 1st April each Contract Year; or
- (b) Within three (3) weeks request such additional information as it may require to assess the

¹ Environment Agency Guidance 'Landfilling of gypsum waste including plasterboard' imposed the requirement from 1st April 2009 that operators must separate gypsum-based material from other wastes so that gypsum could be recycled or reused.

Contractor's proposal. The Contractor shall provide any such additional information within three (3) weeks of request;

6.1.4 If the Authority and Contractor cannot agree the tonnage rate for gypsum waste within a further two (2) weeks the relevant services shall be implemented from 1st April at the proposed revised (GR_t) but the dispute shall be dealt with in accordance with Clause 116 (Dispute Resolution)

6.1.5 Following the acceptance of the Contractor's Gypsum Services Proposal by the Authority, the rate (GR_t) in Part C – Household Waste Recycling Centre (HWRC) Services Schedule 6a (Payment Mechanism) paragraph 2.4 shall be amended to reflect the revised rates as a result of the periodic review.

6.2 **Chipboard²**

6.2.1 No later than 1st February each year the Contractor shall review WR_t (the Tonnage Rate for chipboard) every Contract year, unless otherwise agreed by the Parties.

6.2.2 The Contractor shall provide to the Authority its proposals for the management of chipboard, including:

- (a) a list of treatment delivery points;
- (b) a schedule setting out the tonnages the Contractor forecasts to handle in the review period;
- (c) an input specification for treatment of chipboard;
- (d) the proposed Tonnage Rate for chipboard (GR_t) in respect of the relevant Contract Year, which subject to paragraph 6.2.3 shall be the aggregate of:
 - (i) relevant haulage costs (per tonne)
 - (ii) relevant treatment/disposal costs (per tonne);
 - (iii) all other costs associated with the Handling of the chipboard, plus overheads and profit, which in the aggregate the Parties agree shall be an amount equal to £34.71 per tonne, at a price base date of 1 April 2014, indexed in respect of each Contract

² Chipboard has been identified as a waste stream that is suitable for recycling, recovery and diversion from landfill. The Parties have agreed that it is appropriate for such alternative outlets to be subject to market testing to assess the value for money compared with alternative landfill disposal.

Year based on the annual change to RPIx over the previous 12 months; and

- (e) a revised Service Delivery Plan
- 6.2.3 To the extent that the payments due from the Authority associated with the Handling of chipboard as a separate Waste stream are greater than those payments which would become due were the relevant Waste to be included as part of the Residual Waste stream, WR_t shall be reduced to the extent necessary such that this variance is zero.
- 6.2.4 The Authority shall either:
- (a) Within three (3) weeks give written notice to the Contractor, accepting the Contractor's Chipboard Services Proposal in which case such revised Chipboard Services shall commence from 1st April each Contract Year; or
 - (b) Within three (3) weeks request such additional information as it may require to assess the Contractor's proposal. The Contractor shall provide any such additional information within three (3) weeks of request.
- 6.2.5 If the Authority and Contractor cannot agree the tonnage rate for chipboard within a further two (2) weeks the relevant services shall be implemented from 1st April at the proposed revised (WR_t) but the dispute shall be dealt with in accordance with Clause 116 (Dispute Resolution).
- 6.2.6 Following the acceptance of the Contractor's Chipboard Services Proposal by the Authority, the rate WR_t in Part C – Household Waste Recycling Centre (HWRC) Services Schedule 6a (Payment Mechanism) paragraph 2.4 shall be amended to reflect the revised rates as a result of the periodic review.