



SERVICE PLANNING

SECTION: Contracts Section – Resource recovery and interim waste treatment services contracts

MANAGER:		YEAR:									
John Connell		2014/15									
RESOURCES:											
<p>Staff:</p> <p>None allocated: utilising staffing capacity from the wider Contracts Section and other Sections on a pre-arranged project based requirement.</p> <p>External support:</p> <p>Continued limited use of external advisors appointed to support the MWDA Waste Management Contracts Procurement Project to support the Resource Recovery Contract (RRC) transition from the procurement to construction phase:</p> <p>Ernst & Young LLP – Financial advisors; Eversheds LLP – Legal advisors; SKM Enviros – Technical advisors</p> <p>Budget:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Forward Budget 2014/15</th> <th>20113/14 Revised Budget</th> </tr> </thead> <tbody> <tr> <td>Contract Procurement</td> <td>£110,400</td> <td>£3,361,019</td> </tr> <tr> <td>Interim contracts</td> <td>£7,107,850</td> <td>(included in contract payments)</td> </tr> </tbody> </table>			Item	Forward Budget 2014/15	20113/14 Revised Budget	Contract Procurement	£110,400	£3,361,019	Interim contracts	£7,107,850	(included in contract payments)
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LOOKING BACK – OUTCOME FROM 2013/14 PLAN:
<p>The 2013/2014 activities in respect of the interim waste treatment arrangements were included in the overall Contracts Section Service Plan for that year.</p> <p>Key outcomes achieved in 2013/2014 were:</p> <ul style="list-style-type: none"> • Procurement and operational management of contracts let under the MWDA “Interim Waste Management Services Framework” within approved budget and exceeding contractual performance standards;

- Operational management of an agreement with a local authority partner to provide residual waste treatment services to MWDA, within approved budget.

The activities relating to the procurement of the RRC were considered a specific “stand alone” project and therefore reported directly to MWDA Members.

Key outcomes from the procurement:

- Financial Close of the RRC between MWDA and SITA Sembcorp UK Ltd was achieved in December 2013;
- Migration from procurement to operational phase of the project, including the development of a bespoke “Contract Manual” for the RRC, and a programme of work to facilitate the move from the procurement phase to the construction and commissioning phase of the contract.

The RRC now moves from procurement to the construction and commissioning phase. This phase will be completed in 2016.

Core Activities 2014/15

Title	Corporate Objective
Continued implementation of the RRC within the construction and commissioning phase.	1.1 To procure goods and deliver services in accordance with best practice.
Development of systems and procedures to ensure the effective management of the RRC, including interfaces with other MWDA activities and services.	1.2 To work with our customers, contractors and stakeholders to continuously improve the performance of the waste services we provide.
Management of MWDA’s existing interim waste treatment services arrangements including, where appropriate, investigation and development of additional opportunities.	<p>1.3 To manage the development of new and existing waste management facilities and the restoration of closed landfill sites in a safe and sustainable manner.</p> <p>2.2 To establish appropriate budgets and deliver services which make optimum use of resources through operational efficiencies and joint working and takes full account of the financial pressures on local government.</p> <p>3.1 To implement the Joint Recycling and Waste Management Strategy for Merseyside.</p> <p>3.3 To maximise joint working with stakeholders through effective communication, consultation and engagement with particular focus on poor recycling areas where appropriate.</p> <p>3.4 To adapt to climate change and reduce the</p>

Authority's carbon footprint.

LOOKING FORWARD – PRIORITIES FOR 2014/15:	
Corporate Objective	Description of Section's Contribution to Objective in Forward Year
<p>Objective 1.1 To procure goods and deliver services in accordance with best practice.</p> <p>Objective 3.1 To implement the Joint Recycling and Waste Management Strategy for Merseyside.</p> <p>Objective 3.4 To adapt to climate change and reduce the Authority's carbon footprint.</p>	<p>Management of the work programme to ensure the effective delivery of the RRC construction and commissioning phase.</p>
	<p>Development of systems and processes to ensure the effective management of the RRC, including interfaces with other MWDA activities and services.</p>
	<p>Management of the existing interim waste treatment services arrangements including, where appropriate, investigation and development of additional opportunities.</p>
<p>Objective 2.3 To deliver the Human Resources Strategy to maximise the effectiveness of the Authority's workforce and Members.</p>	<p>Knowledge transfer from RRC procurement team to MWDA staff involved in the RRC construction and commissioning phase.</p>

IDENTIFIED RISKS IN 2014/15:					
Risk Identified	Link to Corporate Risk Ref:	Impact	Likelihood	Risk Value	Mitigation
Failure to implement change management in the transition from procurement to operation of the Resource Recovery Contract.	12	4	1	4	Senior management "buy in" to the transition process, application of control and management techniques.
Failure of waste services suppliers to deliver an acceptable level of service.	10	4	2	8	Contract management focused on outcomes and performance monitoring. Regular liaison with service providers.
Failure to manage interfaces between interim waste services arrangements and WMRC / Landfill contracts.	10	3	2	6	On-going communication and review between Contract Section Staff and suppliers. Regular management meetings with overview by Director of Operations.
Failure to manage data.	28	4	2	8	Waste data from the various sources is managed within Contracts Section and verified in accordance with established quality control procedures.
Failure to control budgets / manage resources effectively.	22	4	2	8	Regular review of expenditure against budget. Monthly payment processes. Weekly tracking of actual waste volumes against planned.

PROJECTS FOR 2014/2015:		
Title	Project Manager	Corporate Objective
Completion of individual tasks as identified in the RRC construction and commissioning phase task allocator.	J.C.	1.1, 1.2, 1.3, 2.4, 2.5, 3.1, 3.4
Management of the interim waste treatment arrangements, including interfaces with other service elements and stakeholders.	J.C.	1.1, 1.2, 3.1, 3.4

PERFORMANCE TARGETS:			
Local Performance Indicators	Target 2013/14	Actual 2013/14 (Estimated)	Target 2014/15
Interim waste management framework agreement: diversion of MSW from landfill (contract minimum)	50%	75%	50%
RRC Contract: construction phase	To achieve milestones set out in the project plan	Milestones achieved	To achieve milestones set out in the project plan