

## **SCHEDULE 2**

### **CONTRACT MANAGEMENT OFFICE**

#### **SERVICE LEVEL AGREEMENT**

In this service level agreement the expression “Authorities” means Elmbridge, Mole Valley, Surrey Heath and Woking. The expression “Parties” means the authorities and Surrey County Council (referred to as SCC).

This service level agreement sets out the Authorities' requirements for the functions and activities of the CMO. The CMO shall deploy the resources necessary to provide administrative and Joint Contract management services ('CMO Services'). The Authorities shall manage and operate the Joint Contract jointly through the CMO.

The staff of the CMO, the functions undertaken by the CMO (referred to as JWS), the Surrey WDA Partnership Functions (referred to as the SCC Partnership Functions) are set out in Annex 1 to this service level agreement

#### **1. Generally**

- 1.1 The intention of the CMO is to provide a shared service which is cheaper than the cost of managing waste collection and street cleansing services by each Authority individually and accordingly the CMO Budget set and the resources of the CMO shall be managed as far as practicable to achieve that objective. The CMO also provides a service in relation to the partnership functions carried out by SCC as waste disposal authority with a view to ensuring an integrated approach to waste management throughout Surrey
- 1.2 In this service level agreement defined terms shall have the meanings set out in the Joint Contract or in the Agreement.
- 1.3 The CMO shall carry out the CMO Services:
  - 1.3.1 impartially as between the Authorities;
  - 1.3.2 using all due skill care and diligence;
  - 1.3.3 in a professional and timely manner;
  - 1.3.4 economically and efficiently;
  - 1.3.5 so as to achieve the objectives of the Agreement;
  - 1.3.6 in accordance with law, financial regulations and good practice.
- 1.4 The Authorised Officer shall be the director of the CMO and shall in addition to carrying out his functions as Authorised Officer ensure the delivery of the functions of the CMO.
- 1.5 All Parties will allow CMO staff reasonable access to their premises and facilities and allow reasonable use of their equipment

## **2. Service Delivery Management**

### 2.1 The CMO shall:

- 2.1.1 deploy the resources necessary to provide the CMO Services;
- 2.1.2 engage a financial officer, a deputy Authorised Officer to monitor and ensure compliance with contract standards and secretariat or administrative support; and
- 2.1.3 employ or use staff seconded from the Authorities as agreed by the Committee.

### 2.2 The CMO shall be operated and run using the CMO Budget, which shall include for all costs and overheads required to operate the CMO and shall include, without limitation:

- 2.2.1 staff costs including pensions (including admittance to the LGPS);
- 2.2.2 HR services;
- 2.2.3 financial services including payroll and payment processing;"
- 2.2.4 property costs and utilities;
- 2.2.5 ICT and ICT services;
- 2.2.6 Insurance;
- 2.2.7 legal services;
- 2.2.8 consumables and office furniture; and
- 2.2.9 banking services.

### 2.3 The CMO may enter into arrangements for HR, financial, ICT, insurance, legal and any other professional services or supplies with any of the Authorities or, subject to compliance with procurement law, from any third party.

### 2.4 The Authorities shall liaise with, consult and inform the CMO in respect of the following and the CMO shall provide reasonable assistance, data and information to the Authorities:

- 2.4.1 enforcement against the public in law or by-law (e.g. littering);
- 2.4.2 asset and depot management as landlord or owner;
- 2.4.3 capital improvement;
- 2.4.4 setting public charges (e.g. for green waste);
- 2.4.5 management of civil emergencies other than where the Service Provider's assistance is required (which shall be, where practicable depending on the urgency, arranged through the CMO).

### 2.5 The CMO shall:

- 2.5.1 assess and manage the performance of the Service Provider to ensure value for money;
- 2.5.2 manage risk by identifying and controlling risk;
- 2.5.3 manage service continuity and have a business continuity plan in place;
- 2.5.4 ensure that its staff understand the Services fully and know the Joint Contract and the Agreement inside out to understand the implications of problems or

- opportunities over the life of the Joint Contract; to reduce misunderstanding between the Authorities and the Service Provider; and to avoid problems, issues and mistakes before they happen;
- 2.5.5 understand and ensure that escalation routes are used properly to encourage an approach that seeks to resolve problems early and without escalating up the governance chain;
  - 2.5.6 be flexible to meet changing circumstances;
  - 2.5.7 aim for continuous improvement in performance; and
  - 2.5.8 carry out such activities as shall be agreed from time to time by the Authorities.
- 2.6 Upon termination of the whole of the Agreement the CMO shall:
- 2.6.1 prepare and maintain a list of assets owned by it on behalf of the Authorities (the 'Joint Assets');
  - 2.6.2 on apportionment of the ownership of assets equally amongst the Authorities the CMO shall transfer the Joint Assets to the relevant Authorities;
  - 2.6.3 where assets cannot be equally apportioned to the Authorities the CMO shall transfer the Joint Assets to one Authority as directed by the Authorities.
- 3. CMO Budget**
- 3.1 No later than September in each Financial Year the CMO shall prepare a budget and submit it to the Contract Partnering Board for discussion and, if necessary, revision and amendment.
  - 3.2 The CMO shall ensure that the CMO Budget shall incorporate costs of operating the Agreement including governance and the overheads provided in paragraph 2.2.
  - 3.3 The Parties shall provide such reasonable assistance as is necessary to the CMO to assist in preparing the CMO Budget.
- 4. Payments**
- 4.1 No later than 1 April in each year the CMO shall submit and invoice to each Authority its share of the CMO Services for that Financial Year in accordance with the Annual Budget.
  - 4.2 In respect of the Service Provider Budget, the CMO shall review each invoice received from the Service Provider and the accompanying breakdown of the charges by Authority in accordance with the Joint Contract. The CMO shall verify the Service Provider's breakdown and in turn calculate the total apportionment relevant to each Authority. The CMO shall send its apportionment calculations to the Service Provider and the Contract Partnering Board and shall require the Service Provider to submit its invoices addressed to the Authorities. If the Contract Partnering Board disputes the apportionment, the matter shall be agreed through
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Governance or the Dispute Resolution Procedure and the outcome shall (if applicable) be effected by an adjustment to a future invoice so that the flow of payments to the Service Provider is not disrupted.

- 4.3 Each Authority shall contribute its share of the Annual Budget in twelve equal monthly instalments, save that in April (the first calendar month of the Financial Year) two months' instalments shall be paid and in March (the last calendar month of the Financial Year) no instalment shall be paid.
- 4.4 The CMO shall hold the Annual Budget in separate accounts which are identifiable as relating solely to the operation of the Joint Contract and the Agreement.
- 4.5 The CMO Budget shall be paid to the CMO and the CMO shall expend, draw and manage it to provide the CMO Services as it sees fit. The rest of the Annual Budget shall be held in an account by the CMO on behalf of the Authorities and payments from that account shall be made only to the Service Provider in accordance with the Joint Contract and the Agreement.
- 4.6 No later than 31 March of each Financial Year the CMO shall conduct a full audit and reconciliation of all elements of the Annual Budget and shall calculate (in accordance with the principles set out in clause 29 of the Agreement) whether:
- 4.6.1 any positive balances of the Annual Budget should be returned to an Authority; or
- 4.6.2 whether any Authority owes more than it has so far contributed
- and shall redistribute funds or invoice for additional funds accordingly. The Authorities shall pay any sums invoiced within 30 days or shall refer the matter to the Dispute Resolution Procedure set out in the Agreement.
- 4.7 Following resolution of any dispute in accordance with paragraph 4.6 any amount agreed or determined to have been payable shall be paid forthwith to the CMO together with interest and the reasonable costs and compensation incurred by the CMO calculated in accordance with paragraph 4.8.
- 4.8 In the event of any Authority failing to make a payment under this paragraph 4 on the relevant due date, such Authority shall pay to the CMO and to the other Authorities the reasonable costs and compensation for any Losses incurred by them in respect of the outstanding instalments such amount to be calculated on a daily basis (commencing from the first Working Day after the relevant due date) for each day an Authority is late in making such payment plus interest in accordance with clause 21.4 of the Agreement.

## **5. Extension or reduction of the functions or activities of the CMO**

- 5.1 The Committee may at any time extend or reduce the functions or activities of the

CMO or transfer any of the activities set out in paragraph 2.4 above which are dealt with by the Authorities individually.

## **6. Relationship Management**

- 6.1 Subject to matters expressly reserved to a higher tier as set out in clause 23.1 of the Agreement, the Authorised Officer shall be the key contact in the CMO for the Service Provider. Except where essential in a civil emergency, the Authorities shall communicate with the Service Provider through the CMO only.
- 6.2 Where any matter is agreed or a decision reached in accordance with the governance procedures in clause 23 of the Agreement and the voting arrangements in clause 24 of the Agreement, such decision shall be implemented by the Authorised Officer and the payment provisions of clause 32 of the Agreement shall apply.
- 6.3 The CMO shall:
- 6.3.1 ensure that staff at all levels facilitate a good relationship with the Service Provider;
  - 6.3.2 establish information flows and communication levels;
  - 6.3.3 encourage the right attitudes and behaviours, based on trust rather than adversarial models; and
  - 6.3.4 actively manage the Authorities/Service Provider relationship.

## **7. Joint Contract Administration**

- 7.1 The CMO shall:
- 7.1.1 pay the Service Provider in accordance with the Joint Contract and calculate and apply the provisions of Schedule 3 (Partnership Share);
  - 7.1.2 collect data, including collection of data to enable the Authorities to comply with reporting requirements to SCC and DEFRA;
  - 7.1.3 communicate with the Service Provider and with residents;
  - 7.1.4 deal with the day to day management of the Joint Contract;
  - 7.1.5 monitor performance of the Joint Contract across the administrative areas of the Authorities;
  - 7.1.6 have clear contract administration procedures so the Authorities and the Service Provider understand who does what, when and how;
  - 7.1.7 exercise the powers of the Authorised Officer under the Joint Contract; and
  - 7.1.8 check the costs of the Services are no higher than expected.
- 7.2 If a Material Instruction is referred to the Authorised Officer by the Contract Partnering Board, the Authorised Officer may consult the Operations Forum or refer it to the Committee if appropriate in accordance with paragraph 34.2 of the Agreement. If the Proposing Authority confirms to the CMO that it wishes the Material Instruction to be made, the CMO shall put the Material Instruction into effect.

## **8. Annual Work Programme**

- 8.1 The Committee will agree priorities and an outline work programme for the CMO on an annual basis. The work programme will include a contract improvement plan and a county wide improvement plan.

## **9. Provision of Data**

- 9.1 The CMO will provide the Parties with monthly contract performance data, and waste and recycling performance data, in an agreed format suitable for individual corporate performance reporting.
- 9.2 The CMO will provide the Parties with revised waste and recycling tonnage projections on a regular basis (quarterly at a minimum) in an agreed format.
- 9.3 SCC will provide the CMO with all the waste and recyclable material management cost information necessary for the calculation of the variable payment element of the financial transfer mechanisms.
- 9.4 In respect of dry recyclable material arising from the Authorities which is managed via the SCC waste disposal contract:
- 9.4.1 SCC will provide the CMO with a monthly breakdown of rejected loads at the facilities
  - 9.4.2 SCC will give the CMO at least one month's notice of any changes to the charge for rejected loads at recycling facilities
  - 9.4.3 SCC will provide the CMO with up to date end destination information and MRF breakdowns (material composition) on a quarterly basis. This information will be provided no later than six weeks after the end of each quarter.
  - 9.4.4 The CMO will provide the Parties with up to date end destination information and MRF breakdowns (material composition) on a quarterly basis in order for them to complete their Waste Data Flow submission.
- 9.5 The CMO will provide SCC with the latest headline performance figures for each of the three Surrey Waste Partnership performance indicators on a quarterly basis. This will be provided in accordance with the agreed quarterly timetable.
- 9.6 In respect of the costs and tonnages under the SCC waste disposal contract:
- 9.6.1 SCC will provide the CMO with a quarterly summary of all tonnages which have been "back-allocated" to WCAs for inclusion in their Waste Data Flow submissions. This information will be provided on a quarterly basis, and no later than the end of the month following quarter-end.
  - 9.6.2 SCC will provide the CMO with the rates per tonne which will be payable by the WCAs for the disposal of non-domestic residual waste and non-domestic food waste. This information will be provided annually, and at least one month in advance of the financial year for which the rates will apply.
  - 9.6.3 SCC will provide the CMO with a breakdown by month and material of all recycling and residual waste tonnages at SCC's Community Recycling

Centres. This information will be provided on a quarterly basis, and no later than the end of the month following quarter-end.

9.7 The CMO will provide SCC with an up to date forecast of expenditure for the current year against the recycling credits budget, on a quarterly basis.

9.8 In relation to ad hoc requests for information:

9.8.1 The CMO will endeavour to respond to requests for information from the Parties within five working days of receiving the request. If it will take longer to provide the information, or if the information is not available, the CMO will inform the authority as soon as is reasonably practicable.

9.8.2 All Parties will endeavour to respond to requests for information from the CMO within five working days of receiving the request. If it will take longer to provide the information, or if the information is not available, the authority will inform the CMO as soon as is reasonably practicable.

## **10. Communications**

10.1 SCC will continue to host the Recycle for Surrey and Surrey Waste Partnership websites, and associated content management systems, and carry out any development work required to meet resident user experience needs.

10.2 Individual authorities will use their communications channels to provide information about the waste collection services provided to them by the CMO, and assist in the promotion of any communications or behaviour change initiatives that are run by the CMO.

10.3 If and when the CMO makes any service or policy changes, or there are any service disruptions or any communication campaigns are carried out that would affect authority customer services, the CMO will notify the authorities so they can make necessary changes to their systems.

10.4 SCC's contact centre will continue to be the first line of support for residents who submit questions through the Recycle for Surrey and Surrey Waste Partnership websites, and for phone calls in relation to Recycle for Surrey campaigns or other county-wide improvement work e.g. compost bin subsidies.

## **11. New properties**

11.1 Authorities to advise the CMO when new properties will need a collection

11.2 Authorities should consult with the CMO when they receive pre-application and planning applications for new developments so that CMO officers are able to advise whether waste management provision is acceptable, before planning permission is granted.

11.3 SCC will provide an annual update of Surrey postcodes to the CMO to support the ReCollect search tool and app.

## **12. Transparency**

12.1 The Parties recognize that the CMO will need prompt access to relevant information in order to carry out its functions effectively.

12.2 The Parties agree to provide the CMO with information that it reasonably requests as soon as reasonably practicable and in a readily usable format. Where necessary they shall make arrangements to provide staff with access to systems and databases on an ongoing basis.

**13. Requests for the CMO to carry out additional functions/tasks**

13.1 The CMO shall use its reasonable endeavours to carry out all other functions and tasks which relate to its functions under this service level agreement provided this does not divert significant resources from delivery of the functions agreed by the Parties or the annual work plan.

13.2 Any addition to the CMOs functions shall be agreed by the Committee.

