

# South London Waste Partnership

Lot 1 Services

*Preferred Bidder - January 2017*

Technical Response

Service Delivery Plan 12 – Expiry Plan

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## Lot 1: Technical Response

### 1.16 Expiry Plan

#### 1. Introduction

This method statement provides an outline Exit Plan which will be developed into a final plan during the mobilisation period ahead of Service Commencement. The plan will ensure that the correct measures are taken before the contract commences, throughout the life of the contract and during the expiry period to ensure there is a seamless transfer of the services to the South London Waste Partnership (“the Partnership”) Boroughs or a new contractor(s).

#### Handback Commitments

*We will*

- *Facilitate a final condition survey of the transferring Assets to ensure they are handed back to the required standard, and any necessary maintenance works identified following the survey are undertaken before the expiry date*
- *Provide a dedicated de-mobilisation team to facilitate and co-ordinate the seamless transfer of the Services*
- *Ensure all staff are engaged with throughout the expiry period and are kept fully informed of the process and their rights*
- *Work with the Partnership and/or new service provider to transfer all necessary licences and permits*

#### 2. Ensuring a seamless Handback of Services

In accordance with Clause 52, Veolia will provide an Exit Plan (“the Plan”) for approval by the Partnership ahead of Service Commencement. The plan will be reviewed as required, but as a minimum annually. Where updates are made to the Plan it will be circulated to the Partnership for agreement.

The Plan will provide full details on the transfer process to ensure a seamless transition, including the following; which are outlined in further detail below:

- Details of the premises, equipment and assets to be handed back
- TUPE arrangements
- Arrangements for temporary or contract Staff
- Any detail of contracts and supply arrangements that may extend beyond contract expiry
- Proposals for surrender or transfer of Permits and licenses
- Communications, including scheduled meetings
- Provision of information to the Partnership and any successive Contractor

To facilitate a smooth transfer of the services upon expiry, Veolia will appoint a de-mobilisation project team who will co-ordinate the activities surrounding the completion of the Service handback.

Monthly meetings will be established with the Partnership Representatives and/or any new Contractor to ensure regular communication is maintained throughout the process. Veolia will also ensure that all the necessary Retendering Information and access to Service depots and equipment, as appropriate, is facilitated. The table below provides a high level outline the key milestones for Service handback.

Item	Timescale
Draft Exit Plan submitted to Partnership	2 months following Contract Date
Exit Plan implementation meeting(s)	6-36 months prior to Expiry
Survey of assets	18 months prior to Expiry
Access to Sites for any incoming Service provider	24 months prior to Expiry
TUPE consultations with Staff & Trade Unions	12 months prior to Expiry
Provide TUPE information to Partnership for re-tendering	12 months prior to Expiry
Provide final TUPE information to Partnership	28 days prior to Expiry
Provide final Services information to Partnership	12 months prior to Expiry

An example case study of a recent successful de-mobilisation process is described below.

### Case Study: De-mobilisation of Burnley

*Through a recent re-tender process, Veolia unfortunately lost its Waste Collection and Street Cleaning contract with Burnley Borough Council. The tender was awarded to another service provider and we supported the transition of the services and staff to the new contractor.*

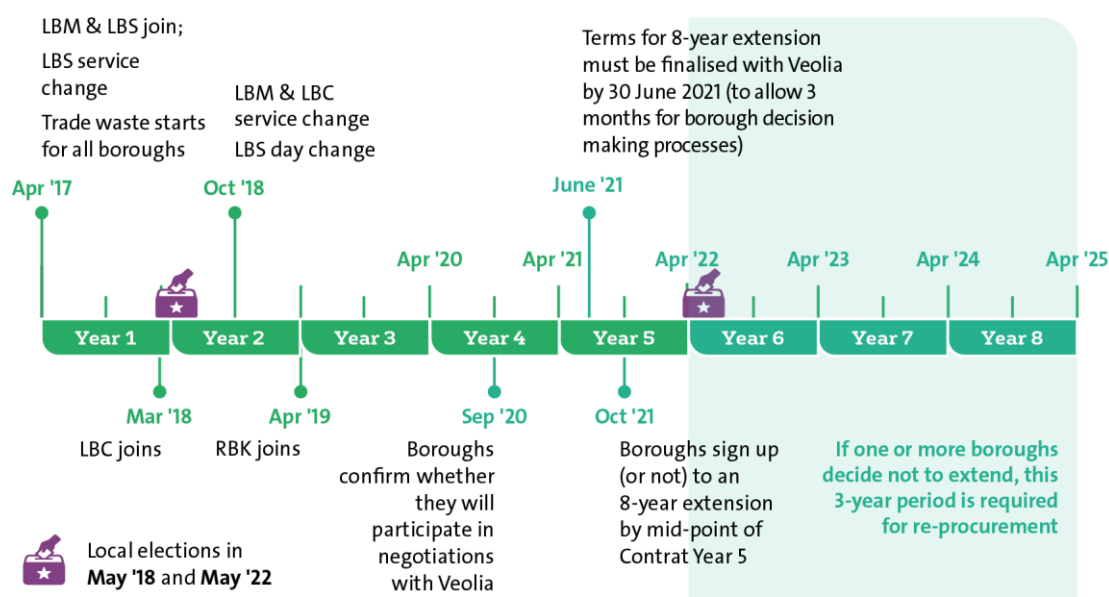
*Around five months prior to service handover, Veolia held an informal internal meeting with the entire workforce to explain that the contract would be operated by a new provider and they would be eligible to transfer.*

*Three months prior to transfer, Veolia hosted more formal TUPE information sessions, to explain to the employees what their rights were and how the process worked. The contract team were supported in this by our regional HR Team. We also offered one-to-one sessions to allow employees to raise questions they did not feel comfortable discussing in larger groups. During this time we also facilitated introductory sessions with the new service provider.*

*Veolia held a long term lease on the operational depot which was transferred to the new contractor along with the necessary equipment on site to allow them to operate the services from the Commencement Date. Vehicles were not transferred for this contract. All necessary licences, permits, leases and consents were transferred to the service provider in time for Service Commencement. Veolia's Estates and Planning and Permitting Team supported the seamless transfer of the facility.*

### 3. Exit Plan

The following sections provide an outline of the Plan which will be finalised during the mobilisation period in consultation with the Partnership and approved prior to Service Commencement. The Plan sets out how Veolia will carry out its obligations to facilitate the transfer of the Services to the Boroughs, or any successor to the Contractor, on the expiry or termination of the Contract. The Exit Plan will also be implemented should the Partnership choose not to extend the Contract. The Partnership's extension timeline is shown below:



#### 3.1 Provision of Information

Veolia will work closely with the Partnership to transfer the Services to the Partnership or any incoming Service provider. Veolia will, no later than six months prior to Expiry, make available, in a timely manner, to the Partnership all information relevant to the transfer and management of the Services, including but not limited to:

- TUPE information
- Relevant drawings
- Collection schedules
- Maintenance records for the Sites
- The health and safety file
- Computer hardware, IT licenses and relevant software
- All sub-contracts and supply arrangements that continue to be of relevance to the provision of the Services.

Veolia will arrange for the IT licences and relevant software, sub-contracts and supply arrangements to be assignable for a transition period of six months following Expiry, so as to allow the Partnership or any incoming Service provider to implement its own solution (excluding commercially available office software packages).

### 3.2 Depots

Veolia will ensure that all depots/Sites that are Partnership Premises are handed back in the condition required under the terms of the Contract. This will include maintenance of offices, welfare facilities, workshops and waste transfer stations on these sites.

The depots that will be classified as Council Assets will be:

- Stubbs Mead Depot, Croydon
- Garth Road Depot, Merton
- Villiers Road Depot, Kingston

#### Condition Survey

A Handback Condition Survey report will be produced for the Council Premises and a remedial work programme agreed with the Partnership. Any maintenance actions identified as being required in previous maintenance reports will be programmed for completion by Veolia in consultation with the Partnership prior to Expiry. Veolia would seek to agree the expected physical and operational state of the facilities with the Partnership prior to Service Commencement through the preparation of the Site Condition Surveys.

In accordance with Clause 52.8 of the Contract Veolia will meet with the relevant Partnership representatives to discuss the arrangements for the implementation of the Plan. This meeting will occur between six to 36 months prior to the Expiry Date as agreed by all parties.

The de-mobilisation project team will be supported Veolia's in-house Estates and Technical Direction departments in the assessment of the sites and determination of required works.



A survey of Assets will be carried out by the Partnership Boroughs 18 months prior to the Expiry Date.

At Expiry or earlier Termination, the Council Premises detailed above will be transferred to the Partnership, or nominated Contractor, and be in a condition capable of operating in compliance with all Legislation, Consents, the Health, Safety and Welfare Plan and the



Specification and in accordance with the physical state as reference in the Site Condition Surveys.

If the final survey shows that Veolia has not complied with its obligations as expected, Veolia understands that the Partnership will act in accordance with the arrangements set out in Contract Clause 52.8.

In addition to this Veolia will also ensure that access to Premises provided by Partnership Council's is made available to the necessary relevant parties within the last 24 months of the Contract Period.

Upon Contract expiry, all relevant property documentation for the Partnership owned facilities will be made available and transferred as necessary. This will include electrical compliance certificates, asbestos surveys, planning consents etc.

### 3.3 Proposals for Surrender or Transfer of Permits and Licences

Veolia will support the transfer of all relevant permits, licences and consents for the Depots to the Partnership or nominated Contractor upon Expiry.

We will provide all necessary data and information in a timely manner to enable the smooth transfer of permits, licences and consents.

Veolia has significant experience in transferring consents. The process of handing back consents relies on the Licence holder having transfer and/or surrender discussions with the Partnership, the new Licence holder and the Environment Agency (EA) as soon as the new licence holder is identified.

In order to manage all aspects of the transfer/surrender of Licences, Veolia relies on the experience of our in-house Planning and Permitting team. The team manages all planning, permitting and licencing matters for Veolia's extensive portfolio of assets and landholdings.

Permits for the Sites shall be transferred to the new contractor or Partnership in a timely manner upon expiry. We would liaise with the new contractor and/or Partnership to provide the necessary data and information for the transfer of Permits and Licences. If a new contractor needs to operate a Site whilst the Permit is being transferred or a new Permit/Licence is being applied for, we would seek to agree an appropriate indemnity with the new contractor/ Partnership for breaches to the Permit. Permit transfer is usually non-contentious and is completed to the agreed programme.

#### Transfer Process

The Licences/Permits shall be transferred in accordance with the Environmental Permitting Regulations (England and Wales) 2010 and the DEFRA "Environmental Permitting Guidance: Core Guidance". The application must be made jointly by Veolia and the new permit/licence holder. The new permit/licence holder should have undertaken pre-application discussions with Veolia and the EA. The determination period for the transfer of a license/permit is two months, but this period is extended for the time required for question responses. The period for the surrender of a license or permit is three months. For the

transfer of Licenses/Permits, the applicants must fill in Part A and D2 of the application and both parties must also sign the declaration in Part F1.

Veolia shall provide supporting information to the applicant to transfer the Licenses/Permits for the expiry of the Contract. It is advisable to have discussions with the EA prior to the submission of the application forms. There shall be a requirement to demonstrate to the EA that the License/Permit conditions have been met and provide plans for the Sites.

The forms require information about the operator, details about the Site (site contact, site address, grid reference, etc.) and detailed information about the proposed activities, engineering design and management measures to mitigate against the potential for pollution of the surrounding natural environment or harm to human health. The level of detail to be provided is determined by the 'risk' associated with the activity. The EA shall consider all the technical assessments submitted in support of the application. Only once the EA are satisfied that the new applicant will meet all technical and regulatory standards will they transfer a Waste Management Licence/Environmental Permit.

### Transfer of Leases and Land Interest Associated with the Sites

We would propose the following process for the successful return of Leases for the Sites to the Partnership.

- Initial meeting between the Partnership and Veolia's Estates and Legal teams to discuss and agree the inspections programme for the handback of the Leases
- Site inspections with the Partnership, to identify, review and/or discuss any potential works required for the handback of the Leases, together with any plant and/or equipment referenced in the Leases. These inspections shall be linked to the independent assets survey and any on-going liabilities described below
- Agree the details of all necessary works by Veolia for the handback of the leases
- Veolia to undertake any agreed works
- Inspection and sign off of the works
- Handback of the Sites and formal Deed of Surrender of the Leases if the Contract is ended through the early termination provision
- Transfer of all utility accounts to the Partnership or to any incoming service provider as directed by the Partnership

## **3.4 Vehicles and Equipment**

### Record of Assets

Prior to Service Commencement Veolia will undertake a joint condition survey of all the transferring vehicle and equipment assets to be used in the delivery of the Contract. This survey will capture the condition of the assets at the point of transfer and will form the basis of the Asset Register and Council Asset Register.

Veolia will provide the Partnership with an Asset Register, Schedule 11 of the Contract, 30 days from the Contract Date. The Register will detail all assets used in the provision of the Services. Veolia will also jointly agree the Council Asset Register, Schedule 9 of the



Contract, which will capture all of the Council owned Assets that will be utilised for the delivery of the Services including vehicles provided by Prudential Borrowing.

The Asset Register will capture the following information:

- Name and description of the asset
- Ownership
- If the asset is leased
- Responsibility for replacement of the asset
- Approximate value of the asset
- Condition of the asset
- Estimated remaining life of the asset



The Asset Register will be maintained as a live document throughout the contract with any changes highlighted and agreed with the Partnership through the contract meetings. An electronic version of the Asset Register will be circulated annually on the anniversary of the Contract.

### Condition Survey

The condition of the Assets will be captured annually within the yearly update of the Asset Register and Council Asset Register, providing the Partnership with transparency of the condition of the assets and remaining life.

Veolia will facilitate a final survey of the Assets listed on the Asset Register by the Partnership 18 months prior to the Expiry Date in accordance with Clause 52.8 of the Contract. This survey will allow the Partnership to verify the information captured in the Asset Register. If the Partnership identify any maintenance works that are required prior to transfer, the scope and timescale of works will be agreed with the Partnership, and Veolia will ensure these are undertaken to the required standard before the Assets are transferred.

### Management of Assets throughout the Contract

Veolia will record all vehicle and equipment assets within its asset management system, Tranman. This system will hold all information relating to the asset, including condition data, and will enable the scheduling of the maintenance required to maintain the asset to the required standard. All vehicle/equipment maintenance work undertaken will be recorded in the system and it will provide notifications for annual servicing and/or MOTs. This system will ensure that the required standards of all the assets are maintained throughout the life of the Contract, to ensure a reliable and safe service is provided and to ensure that the assets transferred at Contract Expiry are to the expected standard.

All assets (including IT) not being transferred to the Partnership or the new Contractor will be removed from the depots before hand-over date. They will either be reused on other contracts or disposed of in accordance with all relevant legislation.

## Transfer of O-Licence

Veolia will work with the incoming provider to undertake a Schedule 4 transfer of the O-Licence upon Expiry.

## **3.5 Transfer of Personnel, TUPE and Pensions**

### TUPE Arrangements

At the date of Expiry it is anticipated that TUPE or successor legislation may apply to all Staff performing the Services and employed by Veolia. We will provide all relevant employee information to the Partnership at least six months in advance of the Expiry Date, and update as appropriate in the final months of the Contract.

Not later than 12 months prior to Expiry, Veolia will work closely with the Partnership to consult with the Service Staff and relevant Trade Unions on all relevant transfer of employment issues. The Contractor will ensure that the TUPE process is managed professionally and transparently, with minimal upheaval for all concerned.

Consultations with the Service employees will take the form of a written announcement, one to one consultations, followed by a newsletter to all employees confirming the content of the consultation. Veolia will work with the Partnership to consult with all staff and relevant Trade Unions on employment transfer.



Veolia has extensive experience of TUPE and shall make the relevant information available to the Partnership throughout the contract period to ensure that the Partnership achieves best value. Personnel shall be trained when engaged and shall have personal continual professional development throughout their employment. During the handback period, all personnel shall be fully briefed in the handback procedures and informed of the process for transfer. The training records of each employee will also be supplied.

To manage the transfer of personnel, Veolia will in a timely and efficient manner undertake the following:

- Facilitate meetings to any transferring personnel under TUPE
- Provide the Partnership and/or incoming service provider with a detailed list of the Contract terms of appointment of existing personnel
- Provide the Partnership and/or incoming service provider with details on personnel, including job descriptions, copies of Contract terms of appointment and pension details, training records
- Establish meetings with Trade Unions and other personnel representatives
- Provide information to personnel about key issues and progress under the new contract
- Provide a 'hotline' for transferring personnel to obtain information on relevant issues of concern

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### Contract or Temporary Staff

Any arrangements for agency staff that might be in place at the Expiry Date will vary depending on the length and nature of the relevant contract. Therefore, Veolia will ensure that any long-term contracts that will continue beyond the Expiry Date have been agreed in advance with the Partnership.

Veolia will comply with its obligations under the Contract and provide to the Partnership as part of the exercising of this Plan, details of all contract or temporary Staff engaged on the Services. This information will be updated at Expiry as appropriate, and will include, but not be limited to:

- Numbers of temporary/contract Staff engaged
- Locations of temporary/contract Staff
- Terms of temporary hire contracts including current rates of pay
- Shift patterns
- Agency details as appropriate

Finally, at the point of handover Veolia will ensure all payroll issues are carefully processed to make a seamless transfer for the employee. This process will be supported throughout by our Human Resource Business Partners.

### **3.6 Handback of Services**

Monthly progress meetings will be established to enable a smooth handover of the Services. During these meetings the de-mobilisation Manager along with the Operational Management Team will provide updates relating to the work schedules for each service and ensure every element is jointly agreed, signed off and, completed in full.

Veolia will make available to the Partnership all project data no later than six months before the expiry date. This will include TUPE information, relevant drawings, transport schedules, operating manuals, maintenance records, the Health and Safety file, computer hardware, IT licenses and relevant software.

Throughout the life of the Contract, Veolia will follow an 'open-book' approach to all Contract data. As such, information will always be made available to the Partnership.

In the event that the Contract is terminated, a plan will be developed jointly with the Partnership that will include the preparation of the Contract data in a suitable format for whoever subsequently takes on operational responsibility for the service activities.

All service data including collection round allocations by property will be transferred to the Council in the format to be agreed in line with relevant data protection legislation. Data will be made available for handover in pre-agreed file formats and layouts, based on the capabilities of the Veolia's systems.

All data created during the Contract will be made available for handover to the Partnership in the format to be agreed in line with relevant data protection legislation. The details will be discussed with the Partnership at the regular meetings held with the de-mobilisation team.

In addition to the information already covered in this method statement, the following service specific information per service will be provided to the Partnership:

### Collections

- Collection round sheets per service
- List of all assisted collections
- List of garden waste subscribers
- List of clinical waste customers
- Tonnage data per waste stream
- Agree container stock to be transferred (bins/boxes/bags)
- Shift patterns
- All outstanding deliveries (collection receptacles) up to the last day off the contract will be completed. Any requests for bins, caddies etc. falling past the last day off the contract will be recorded and passed onto the Partnership for actioning
- Any Bulky Waste collections up to the last day of the contract will be completed. Any pre-bookings falling after that date will be recorded in full and passed back to the Partnership
- All Clinical Waste collections will be completed and all arrangements for future clinical collections after the contract end date agreed with the Partnership at the de-mobilisation meetings.



### Commercial Waste

- List of customers and copies of the contracts
- List of transferring assets (containers)
- Current pricing structure
- Collection round routes
- Tonnage data per waste stream

### Streets

- Street cleaning schedules
- Details of sub-contract arrangements where applicable
- Shift patterns
- List of assets/consumables
- Tonnage data

### Winter Maintenance

- Salt tonnage usage records
- Salt stock levels at each salt barn
- Details of any lessons learned from the last winter maintenance season

### Vehicles

- Vehicle maintenance schedules
- Service and inspection records
- List of consumables
- Workshop operating hours
- Third party contracts

### Materials

- Details of existing outlets and any contract arrangements
- Tonnage data and contamination rates
- Surplus tonnage arrangements



## **3.7 Closure of any Financial Issues**

Veolia shall handback the Depots in accordance with the requirements of the Leases and all agreed assets shall be transferred to the Partnership in the agreed condition. By Veolia providing the Services as specified by the Contract and receiving payment from the Partnership in line with the comprehensive Payment Mechanism, this should ensure there are no financial issues to close.

There may be a requirement for a settlement either way based on the recycle share arrangement at the end of the contract.

## **3.8 Sub-contracted Services**

The arrangements for any sub-contracts that might be in place at this time would be varied depending on the length of the relevant sub-contract. It would not be Veolia's intention to let long-term sub-contracts that would subsist beyond the expiry of the project term without the co-operation and approval of the Partnership.

In such circumstances provision will be made within such a contract so the Partnership or any incoming service provider to step into such arrangements and take over Veolia's obligation under such sub-contract.

## **3.9 Proposals for Co-operation with the Council and any Successor Contractor**

During the final six months of the Contract and for three months after Expiry Veolia will fully support the Partnership with advice and assistance, to allow the transfer of responsibility for the Services to the Partnership or to any incoming service provider. Veolia's support of the handback procedure will include the following:

- Creating a dedicated exit project team to provide support the Partnership during the process
- Liaising with the Partnership and/or any incoming Service provider, and providing reasonable assistance and advice concerning the Services

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- Allowing any incoming service provider access to the Sites in the last 24 months of the Services
  - Providing training sufficient to ensure the on-going efficiency of the Services to the Partnership and/or any incoming service provider
  - Attending monthly meetings with the Partnership and/or any incoming service provider to review compliance with the Plan
  - Providing the Partnership and/or any incoming service provider with all and any information concerning the Assets and Services which is required for the efficient transfer of responsibility and ongoing Service delivery
  - Using all reasonable endeavours to facilitate the smooth transfer of responsibility for the Services to any incoming service provider and to transfer all relevant Consents
  - Transferring (at the Partnership's request) the rights, title and interest in and to some or all of the assets to the Partnership (or any person nominated by the Partnership)
  - Assisting the Partnership with retendering the Contract as required