

## ANNEX 1 OF SCHEDULE 14

### CHANGE REQUEST NOTE

#### Part A – Variation Initiation

Contract Name and Number:	Integrated Street Cleansing, Waste Collections and Winter Maintenance Services Contract
Client:	The Mayor and Burgesses of the London Borough of Brent
Contractor:	Veolia ES (UK) Limited
Variation Number:	LBBV001-23
Brief Description of Variation:	Fibre (paper/card) baling at Veolia Brent Transfer Station
Proposed Effective Date of Variation:	1 Dec 23 - dependant on lead times of plant upgrade on Veolia site
Variation Type:	<input type="checkbox"/> Client Service Variation <input type="checkbox"/> Service Improvement Variation <input type="checkbox"/> <b>Contractor Service Variation</b> <input type="checkbox"/> Anticipated Change Variation
Basis for pricing the Variation:	<i>[with reference to Part A of Schedule 14 – include relevant paragraph number]</i>
Request Made by:	<i>Contractor</i> <i>[Name] John roberts</i>
Date of request:	2/5/23
Detail of Proposed Variation:	A change to the handling/processing and output of the paper/card from a loose material to a baled material from the point at which the baling plant is installed for the duration of the contract.

## Part B – Contractor Impact Assessment

<p>Impact of Variation on Services:</p>	<p>Instead of the card coming into the Veolia transfer station and being bulked out loose, Veolia will bale the card allowing for LBB to receive a higher rebate for the sale of the recycle from their chosen offtake partner.</p> <p>The delivery point for the material will remain the same (Brent Transfer Station) whether the product is bulked out loose or baled.</p>
<p>Impact of the Variation on Contract Documents:</p>	<p>The handling charge will increase from the start of baling in 2023 to 1/4/24 to £35.56 per tonne for paper/card in the pricing schedule. The price is indexed linked and we propose that the capital element (43% / £15.29) is fixed throughout the contract and the variable (57% / £20.27) is increased annually by the basket 2 indexation.</p> <p>The price per tonne is based on 8000 tonnes of fibre/paper/card from Brent recycling collections. Should the annual tonnage drop below 7000 tonnes we would need to revise prices upwards, correspondingly, should annual tonnage increase above 9000 we would revise the cost per tonne downward. This would be done on an open book basis should the need arise.</p> <p>If for any reason the bailing facility is unavailable, the handling charge will revert to the prevailing loose fibre/paper/card rate in Bill 4.13.2.</p>
<p>Impact on Contract Price:</p>	<p><i>[the calculation of the change in the Contract Price shall be in accordance with Part A and Part B of Schedule 14 and the Contractor shall provide the following information (as attachments where appropriate) together with supporting evidence:</i></p> <p><i>i. Proposed updated Pricing Schedule</i></p> <p>Revised pricing will be in the final true up of the pricing schedule. (Schedule 6, bill 4 will be amended to include the baled price per tonne)</p> <p><i>ii. Proposed updated Contractor’s Financial Model</i></p> <p>Below is the estimated/anticipated costs to demonstrate how the cost per tonne has been arrived at. This would also be the model we would use to adjust prices should volumes drop below</p>

7000 or increase above 9000 tonnes p/a.

Capex		OPEX P/A	
Site works (CAm Projects)	£350,000.00	Service agreements and maintenance	£15,790.00
Dicom works estimate	£20,000.00	Export documents	£0.00
Dicom conversion kit	£78,000.00	bale wire pa	£14,345.00
Baler	£105,000.00	electric PA	£15,217.00
360 handler	£278,000.00	3x staff	£104,210.00
2 x FLT handlers	£116,000.00	Admin * 0.5	£15,263.00
electric barriers	£52,000.00	£1057k capex over 7 years	£151,045.71
contingency @6%	£59,920.00	Margin/Contribution 11%	£34,745.78
<b>Total</b>	<b>£1,058,920.00</b>	<b>total</b>	<b>£350,616.49</b>
		Brent Fibre Only (8000 tonnes)	£43.83
		Brent Fibre + Veolia 2600 tonnes	£33.08
		April 2023 Uplift	£35.56

iii. *changes in number of personnel required to deliver the services and the resulting change in cost to the Contractor;*

An additional 3.5 staff will be employed at the Brent Transfer Station. The cost of these staff is included in the price per tonne for baling the material.

iv. *cost of any additional Contractor Plant required*

3 x Yellow plant, baler and safety system, this equates to £649k. This plant would be procured by Veolia and the associated costs included in the baling costs per tonne.

v. *details of any one off additional costs;*

Site works to make site changes and install bale storage £409k. This cost is reflected in the handling/bailing cost per tonne.

- The site Works comprise of:-
- Remove outer wall of building
- Install new push wall bay for card
- Build and install 2 separate undercover bale storage areas (to improve resilience against moisture content charges)
- Build and install a undercover area for the bales to come off the baler and for to keep the tying mechanism dry
- Install new barriers to stop trucks entering the loading area when loading out bales
- Install new barrier to stop vehicle drive off when loading out
- Install additional CCTV to cover the baling and loading area
- Additional line markings for load area
- Additional line markings for FLT to cross between bale areas.

	<p>vi. <i>Evidence of any other costs;</i></p> <p>Other costs include bale wire, electricity, 0.5 admin and Veolia margin/contribution.</p> <p>vii. <i>Any other information reasonably required by the client]</i></p> <p>NA</p>
Impact on Plant:	To facilitate the changes to the site and handling of material Veolia will need to purchase a 360 handler and 2 clamp trucks for handling bales, the costs associated with this plant is reflected in the baling costs per tonne.
Impact on Premises	Works to be carried out at the Veolia Brent Transfer Station to upgrade the current baler, install exterior bale holding areas, change the layout and working process in the building on site, add additional road safety features to allow trucks to tip / load in the newly designated baling area. Please note, this is not a LBB site.
Details of any proposed alternatives:	The alternative is to continue to load out loose material, we will only utilise this methodology if the baling plant is unavailable at which point the loose handling rate per tonne would apply. We can not guarantee availability of the baling facility but we will ensure that all plant and equipment are serviced within the guidelines/recommendations of the original manufacturers. In addition we have priced in for monthly engineer pre-emptive checks to address any issues before they arise. We have a similar arrangement on our fibre/paper/card bailer at Amersham where we have had an average of 1 day down time per quarter on a 20 year old baler. Veolia are taking the risk on this as we will still incur the costs of the bailer and site works while only being able to charge/pass on the lower handling fees if the plant is down.
Impact Assessment completed by:	Andrew Reidy (General Manager)
Date completed by Contractor:	2nd May 2023

