

REDACTED



Contract Change Note

Contract Change Note Number	CCN 01
Contract Reference Number & Title	Waste Infrastructure Delivery Programme
Variation Title	Taking up 1 year option to extend contract (2014-2015)
Number of Pages	13

WHEREAS the Contractor and the Authority entered into a Contract for support to the Waste Infrastructure Delivery Programme dated 06/05/2011 (the 'Original Contract'/Framework Agreement) and now wish to amend the 'Original Contract'.

IT IS AGREED as follows


1. With effect from 01/04/2014 the Original Contract shall be amended as set out in this Change Control Note:

Change Requestor / Originator	[REDACTED]
Summary of Change	Extension of current contract until the 31 st March 2015 and revised Schedule 1 and Schedule 2 covering this period.
Reason for Change	N/A
Revised Contract Price	Revised Schedule 2 - Pricing Schedule attached.
Revised Payment Schedule	N/A
Revised Specification	Revised Schedule 1 - Specification Schedule
Revised Contract Period	12 month Contract extension covering the period 1 st April 2014 to 31 st March 2015.
Change in Contract Manager(s)	[REDACTED] and John Burns
Other Changes	N/A

2. Save as herein amended all other terms and Conditions of the Original Contract shall remain in full force and effect.

Signed for and on behalf of the Contractor by:

Name	<i>Julie J. Arnold</i>	
Title	<i>CHIEF EXECUTIVE</i>	
Date	<i>11th June 2014</i>	

Signed for and on behalf of the Authority by: 

Name	<i>DAVID GOODLASS</i>
Title (Authorised Authority / Contracting Body Representative)	<i>CATEGORY LEAD CONSULTANCY & CORPORATE SYS</i>
Date	<i>16 / 06 / 14</i>

SCHEDULE 1
SPECIFICATION SCHEDULE
(01/04/2014 to 31/03/2015)

1. Background
WIDP

- 1.1 The European Union (EU) landfill directive sets targets for each member state to reduce the amount of Biodegradable Municipal Waste sent to landfill.
- 1.2 Defra (the Authority) set up the Waste Infrastructure Delivery Programme (WIDP) in 2006 to ensure that the UK meets these targets.
- 1.3 WIDP administered the approval and monitoring of £2.6 billion central government support for Local Authorities funded through the Private Finance Initiative (PFI).
- 1.4 Local Authorities applied for this financial support through an expression of interest and a business case that complies with specified eligibility criteria
- 1.5 WIDP manages the funding through a structured approval programme of deals based on strategic need, value for money and deliverability, addressing elements such as the delivery of the residual waste treatment infrastructure, a reduction in waste arising, and an increase in recycling and to ensure we meet the targets under the Landfill Directive.
- 1.6 WIDP's primary objectives are to:
 - ensure English Local Authorities deliver sufficient residual waste infrastructure to meet the contribution to the EU landfill directive targets for the years 2013 and 2020, and that they do so in a timely, value-for-money and affordable manner;
 - ensure projects fit well with the national waste and planning strategies but also contribute to climate change and energy from waste objectives.;
 - support PFI projects in procurement and PPP projects identified also in procurement until 15 months following operational commencement. Supporting projects through planning, construction, commissioning etc to improve deliver confidence in these projects;
 - to address the structural issues in the waste market to ensure effective competition for and negotiation of projects or variations.
- 1.7 If the Authority fails to meet these targets the UK will face infraction penalties. Local Authorities will also face penalties if they landfill in excess of their allowance in a target year.
- 1.8 A further element of WIDP's role is to provide expert procurement, project management and legal specialists who work alongside Local Authorities, irrespective of whether they have applied for PFI funding. The purpose of this support is to ensure waste treatment infrastructure and services are procured effectively and on terms that work for both the private and the public sector; and that sufficient resource and expertise is applied to the contract management of the waste treatment services through all phases of the contract e.g. procurement, planning, construction, commissioning and operation.

WOSP

- 1.9 Defra supports HMT Operational Savings Initiative started in June 2011, will support operational projects to develop approaches for and to negotiate savings for the public purse from waste infrastructure contracts. These contracts are to be operational and funded using private finance, effectively including PFI and PPP waste disposal and some integrated waste projects. This work subject to funding and is anticipated will run to March 2016 and may extend beyond this date.
- 1.10 WOSP has communicated a forecast to HMT for 4.5% savings from the remaining annual payments for up to 46 projects in the overall programme. This includes 29 PFI projects and 17 PPP projects. This equates to approximately £900m signed savings across the programme.
- 1.11 WOSP intends to develop these savings across various key initiatives that are relevant the majority of projects in the programme and a series of pilot areas to prove the viability of these savings and will include effective contract management, scope reduction, asset optimisation etc
- 1.12 WOSP intends to support up to 6 projects in 2014/15 to deliver savings across a number of areas

2 Requirement

- 2.1 The Services provided under the Contract are the provision of a team of specialists who have a combination of skills, knowledge and experience in Local Government, procurement, contracting using PFI in the waste management sector, project / contract management and the energy sector. These specialists will work alongside Local Authorities to ensure waste treatment services are procured and managed effectively and on terms that work for both public and private sector whilst managing delivery risk and ensure value for money in the longer term throughout the procurement, during the construction and commissioning period and into the operational phase. Specific advice when required e.g. on individual contractual arrangement will be sought by the counter party to the arrangements (e.g. Local Authority) from their own specialist legal, financial, technical advisors.

3. Skills and Expertise

- 3.1. The Contractor resource will provide the following skills and expertise:
- Technical understanding of the waste sector, local government governance, competitive dialogue, contracting under the private finance initiative (and in particular the SOPC4 contract), and contract management;
 - Proven experience of providing support and challenge to Local Authority procurement and contract management project teams and have the trust of these teams as independent source of information;
 - Knowledge Transfer: improve the resilience of Local Authority procurement teams to manage future complex and significant projects with less external support. Improve the Defra internal teams ability to manage the project issues that may arise as the team transitions to a more routine 'business as usual' model;
 - Continuity. It's important that, as far as possible, the Contractor continue the relationships that they have established with the projects that they presently support.
 - Flexibility. Defra requirements will continue to change on a regular basis as projects progress through their procurement and post close stages. Any contractual arrangements must accommodate this flexibility
 - No conflict of interest. The Contractor should not be conflicted or potentially conflicted because they supply advisors to organisations (e.g. contractors, suppliers, funders etc.) who are bidding for, are involved in existing contract or have historically or are currently supporting ongoing waste PFI contracts. The Contractor commits not to work with any parties mentioned here for the duration of this contract and for a period of two years expiry of this contract in any capacity which may adversely affect the interests of Defra or to use any

of the information made available to them from any source during this contract for commercial gain;

- Provide national coverage to Local Authority projects waste disposal contacts as identified by Defra
- VFM. The price paid for services supplied to each Local Authority must continually demonstrate value for money in the present financial climate.

4. Support

4.1. Procurement Phase

The Contractor resource is split into three (3) specialists groups, Defra Central, Defra External and WOSP, who will provide the following support during the programme phases.

Group 1 – Defra External

Transactor role

A list of the Local Authority projects to which support will be given, and the agreed allocation of the Contractor resource is set out at Schedule 2. 24 days maximum support per annum will be given to each project during the post financial close phase.

The objective of the Contractor support is to assist the Local Authority through the implementation and operation phases for their Waste Management Agreement in order to deliver the project facilities and obtain value for money for the public sector.

The days allocated to each project during this phase may be reviewed from time to time by the Authority with the post close Transactor in the light of the project's needs and taking into account WIDP's resources.

- a) Attend Project Team meetings at key stages of the project e.g. key decisions, reviewing options etc.
- b) Attend all Project and Contract Management Board meetings at key stages of its procurement and implementation but will have the right to appoint an alternate attendee.
- c) Help Local Authorities to familiarise themselves with the contents of all WIDP, Local Partnerships, Infrastructure UK, HM Treasury and other central guidance on the management of PFI/PPP contracts.
- d) Ensuring the Local Authorities existing arrangements/plans for contract management are assessed against the checklist set out in WIDP Post Close Guidance and where necessary a Contract Management Review is arranged.
- e) Assist in developing the contract monitoring arrangements.
- f) Providing support in relation to contract management issues, including processes relating to engagement with stakeholders, project management, decision making, governance structures and performance monitoring.
- g) Identify potential causes of delays in contract management issues and advising the Local Authority on strategies for minimising the delay, including escalation of issues to senior management.
- h) Provide in relation to the scope of work, selection, recommendation of appointment and terms of engagement of financial, legal, technical, insurance etc. advisers for the project.
- i) Sharing information held by WIDP on solutions used by other Local Authorities to deal with specific issues arising from the management of similar contracts.
- j) Supporting and promoting best practice on the progressing or alteration of planning and/or permitting applications required to deliver the infrastructure; including liaison with the Environment Agency and central government.
- k) Informing the Local Authority of matters relating to the management of waste contracts in general which are relevant to their agreement; including international or national policy developments that may impact the management of their agreement.
- l) Promoting and explaining Defra policies, as well as prevailing Government Guidance relating to contract management generally, and PFI/PPP in particular.
- m) Advising on the circumstances that would make the Local Authority ineligible to claim the grant.
- n) Acting as a conduit for communications with WIDP and providing timely access to the specialist support available from WIDP, including WIDP's Commercial Team, at any stage where commercial issues are being considered.
- o) Maintain regular contact with the project and report to WIDP in relation to delivery of the objectives of the Local Authorities agreement.

- p) Provide assistance to the project in relation to settling any disputes between the Local Authority and their service provider.
- q) Support the Local Authority in its obligation to notify WIDP on a timely basis of any major variations to their agreement impacting on the Services provided or the Annual Unitary Charge.
- r) Review and provide feedback on all project documentation, including but not limited to the project positioning, Variation Business Case (VBC), market engagement documentation including: evaluation criteria, output specification, payment mechanism and model contract, waste flow model, financial model etc.
- s) Provide guidance in relation to project development issues, including but not excluded to: engagement with stakeholders, analysis of technological options, development of variations, project management, decision making and governance structures.
- t) Assist in the evaluation of proposals made in the context of funding and hedging competitions and other ancillary competitions, if used.
- u) Assist with commercial negotiations.
- v) Share information on solutions previously employed by other local authorities to deal with specific issues arising during the procurement of similar projects
- w) Work with the Local Authority to constantly review the need for an external contract management review
- x) Explaining the significance of WIDP's Monthly Reporting system to the Local Authority's project team and securing the Local Authority's participation in the system. Advising in relation to the availability and content of the relevant training modules available from both WIDP and the Contractor and supporting, as required, in the delivery of those training modules.
- y) Uphold the reputation of WIDP as the Government's centre of expertise in waste infrastructure procurement and contract management and act as a single joined up team which, through knowledge sharing and co-ordination, achieves increased effectiveness, efficiency and bulk purchasing power for the public sector. □
- z) Act as a champion of best practice, using detailed knowledge of WIDP's contract guidance and contract management guidance and providing support to other members of WIDP in relation to Contract Management.

Contract Management Reviews (CMR)

- a) Identify ~~eight~~ six (6) projects at key stages for with particular issues that would benefit from a WIDP Contract Management Review
- b) Arrange and undertake the WIDP Contract Management Review
- c) Collect feedback on the effectiveness of the WIDP Contract Management Review
- d) Feed the lessons learnt into the WIDP Lessons Learnt Log

Contract Management Training (CMT)

- a) Identify six (6) projects at key stages for with particular issues that would benefit from a WIDP Contract Management Training
- b) Arrange and undertake the WIDP Contract Management Training
- c) Collect feedback on the effectiveness of the WIDP Contract Management Training
- d) Feed the lessons learnt into the Lessons Learnt Log

Network Groups

- a) Hold eight (8) WIDP Network Groups, four in Leeds and four in London
- b) Arrange WIDP presentation material and arrange guest speakers on topics of relevance to the contracts in the programme
- c) Collect feedback on the effectiveness of the WIDP Contract Management Training
- d) Feed the lessons learnt into the WIDP Lessons Learnt Log

Group 2 – Defra Central

The Contractor will under WIDP management control provide support in the following areas:

Commercial Team

- a) Members of the Commercial Team will supplement the work of the Transactor allocated to each project and apply additional commercial and legal support and advice to the Local Authority team. The purpose of this intervention is to reduce the time taken for the phase of the procurement from appointment of preferred bidder to financial close.

- b) Commercial team members will provide an independent commercial review on behalf of WIDP and contribute as necessary to the preparation of contract agreements, approval of derogations from the SOPC4 agreement and to negotiations with preferred bidders and funders.
- c) Liaise with HMT and other Departments on policy and Arrogation issues that relate to PFI projects
- d) Liaise with related industry groups to facilitate the delivery or variations to projects

Other support

- a) Support the delivery of effective programme management systems
- b) Contribute to the development of internal processes
- c) Support WIDP in the monitoring of WI Grant award terms for project within the WIDP Programme
- d) Support WIDP processes in relation to any review or comparison between the original contract terms and any initial or subsequent variation to a contract in the WIDP programme
- e) Support WIDP processes in relation to any review or comparison between the original Full Business Case (FBC) and any Variation Business Case (VBC).
- f) Help in the preparation of Ministerial submissions and other Departmental briefings
- g) Support the Department in any consultations required
- h) Support the Department with any Judicial Review
- i) Support WIDP to model waste disposal capacity requirements across the programme
- j) Support WIDP policy teams with support to assist in the development of policies or to illustrate the impact of new policies on infrastructure delivered as part of the WIDP programme
- k) Uphold the reputation of WIDP as the Government's centre of expertise in waste infrastructure procurement and contract management and act as a single joined up team which, through knowledge sharing and co-ordination, achieves increased effectiveness, efficiency and bulk purchasing power for the public sector.
- l) Where requested by WIDP, and at no additional cost to that set out in Schedule 2, speak at conferences and publish articles in relation to the management of waste PFI/PPP contracts in England.
- m) Use WIDP's Disengagement Protocol when a project reaches the end of its eligibility for Transactor Support specified in the MoU for the Local Authority.

5. Programme level work

- 5.1. Subject to the time allocations set out in Schedule 2, WIDP and the Contractor may agree from time to time to vary contributions from Defra Central and Defra External Team staff to programme level initiatives. Such contributions shall be within the time and costs set out in Schedule 2 and will be at no additional cost to the Authority and shall be consistent with the terms of payment.

6. Reporting

- 6.1. There are three (3) main reports required from the Contractor, as follows:

- 6.1.1. For each Local Authority project being supported, the Contractor in consultation with the Local Authority will provide a Transactor Monthly Report (TMR). This will be provided to WIDP in an agreed format and at an agreed timeframe. Each report will provide an update on project progress, a summary of the project milestones and an assessment of the likelihood that these will be met.
- 6.1.2. For each Local Authority project being supported, the Contractor in Consultation with the Local Authority will provide on a quarterly basis a Transactor Data Report (TDR). This will be provided to WIDP in an agreed format and at an agreed timeframe. Each report will provide an update of key data agreed with WIDP.
- 6.1.3. The Contractor will provide a monthly report in an agreed format of i) the amount of time worked and ii) T&S expenses incurred by each Transactor and member of the Commercial Team on each project and on each programme initiative. This report is due on the 1st working day of each month, unless otherwise agreed in advance by the Authority and the Contractor.

6.1.4. Additional project related reports may be requested at no extra cost to the Authority.

6.1.5. For more detail of the Contractor outputs see Annex 1 to this schedule (Schedule 1)

7. Meetings

7.1. The Contractor's Defra External and Defra Central Team staff will be expected to attend Quarterly Team Meetings, the dates and locations of which will be agreed throughout the life of the contract, and any other WIDP governance meetings as requested from time to time.

Group 3 – WOSP

The Waste Operational Savings Programme (WOSP) objective is to accelerate the identification and realisation of a further £300m of savings from operational waste infrastructure projects that are supported within the WIDP programme. The Contractor is to support the WOSP programme in the following ways

- 1) Develop the proof of concept for three key initiatives: Distributed Energy; Contract Waste and Corporate Debt. This will involve:
 - a) developing the concepts in the WOSP funding business case in sufficient detail to clearly illustrate the business benefits that flow for Local Authority waste infrastructure projects and the commitments required
 - b) developing appropriate methodologies that anticipate the commercial issues that may arise and the potential responses the waste contractors involved
 - c) create commercial positions and legal arguments in favour of Local Authorities

- 2) Develop the proof of concept for five pilot areas: Mothballing or selling assets, Asset Reversion, Contract Life Extension, Advanced Payments and Inter company trading
 - a) developing the concepts in the WOSP funding business case in sufficient detail to clearly illustrate the business benefits that flow for Local Authority waste infrastructure projects and the commitments required;
 - b) developing appropriate methodologies that anticipate the commercial issues that may arise and the potential responses the waste contractors involved;
 - c) create commercial positions and legal arguments in favour of Local Authorities;
 - d) further additional areas for potential savings include:

No	Items
1	Enforcement (KPIs, deductions, validation of reports)
2	Insurance
3	Annual Indexation
4	Improved performance (HWRC targets, operation hours, possible HWRC closures etc.)
5	Altering Inputs - charging for green waste, collection frequencies
6	SRF/RDF off take pricing - transparency of taking risk back in house
7	Market Testing (HWRC performance, disposal sub contracts, Incinerator Bottom Ash, Landfill disposal, Clinical, Inerts and Green etc.)
8	Benchmarking performance
9	Third Party Income Gain Share (recyclate volume and validation of pricing, increases in C&I etc.)
10	Method Statements/Contractor Proposals alterations/optimisation

No	Items
11	Energy (hedging, taking pricing increases, distributed energy, CHP, extending district heating networks etc.)
12	Potential to join with other WDAs to increase proportion of MSW available to the contract
13	Closures of redundant assets - MBT/MRF
14	Asset Reversion
15	Change diversion/recycling targets
16	Remove residual life requirement
17	Revised Performance Management Framework
18	Remove planning restrictions
19	Terminate the Contract
20	Refinancing
21	Authority Capital Contribution
22	Extend Contract length
23	Amend terms of Non Contract waste Royalty
24	Market Test Clinical Waste disposal costs
25	Reduce Communication Budget
26	New income generators (new recycle streams etc.)
27	Reducing EFW down time
28	Contractor risk allocation (revised longstop dates etc.)
29	Payment Mechanism adjustments (clarity, penalties, incentives etc.)
30	Releasing monies from lifecycle funds
31	Reducing Corporation tax elements for future variations
32	Domestic Round Efficiencies

- 3) For the areas identified in 1) and 2) above develop contractual lever and enablers that will stimulate commercial discussion with contractors using arguments around Transparency, Good Industry Practice, Scope of permissible variation, Best Value Reviews etc;
- 4) Develop a business case for an IT Document Management system for support effective management of the WIDP programme that will enable effective management of the WI Grant, monitoring of individual PFI contract performance and assist in the management of variations and internal reporting/communications;
- 5) Develop WOSP savings guidance for distribution to authorities in the WIDP programme;
- 6) Undertake Operational Savings Review as requested to identify potential operational savings; and
- 7) Identify and facilitate the signing of Memorandum of Understandings (MoU) with approximately 6 Local Authorities that wish to collaborate with Defra to achieve operational savings. The MoU should seek to achieve up to 10% grant adjustment from the collaborative areas identified and worked jointly by Defra and the Local Authority. In aggregate the total grant adjustment should be up to £30m nominal over the remaining life of these contracts. The Authority recognises that the Contractor can only facilitate delivery of the above.

8. Key Performance Indicators

- 8.1. Monthly reports are to be submitted in accordance with agreed formats, currently the 1st working day of each month as mentioned in sub-paragraph

6.1.2, but can be amended as agreed in writing between the Contractor and Authority.

8.2. Authority feedback the effectiveness of Contract Management Reviews, Contract Management Training and WIDP Network Groups be in the top quartile of any agreed feedback system mutually agreed between the Authority and the Contractor

9. Equipment

9.1. The Contractor resource covered by this Contract will be issued with Authority laptops and have access to the Authority's IT systems. These must be used for any exchange of correspondence, documents and data with WIDP, local authorities, Bidders and Funders. The Contractor's staff must undertake and abide by security and data handling training in accordance with the Authority's requirements as directed by Authority from time to time. A copy of the HMG Security Policy Framework may be found at:

<http://www.cabinetoffice.gov.uk/intelligence-security-resilience/intelligence-andprotective-security.aspx>

SCHEDULE 1 – ANNEX 1

Defra External - Regional Transactor & Transactor outputs

No	Output	Evidence	Comment
1	Transactor Monthly Report	Monthly Report filed to PO	For all projects in WIDP programme as agreed with Defra
2	Transactor Data Report	Quarterly Report filed to PO	For all projects in WIDP programme as agreed with Defra
3	Collate data on CHP	Note on CHP efficiencies	From Regional Transactors
4	Intelligence on RW capacity development	Quarterly updates on capacity Project List	From Regional Transactors
5	Maintain/Update Company profiles	Quarterly updates of profiles held by PO	From Regional Transactors

Defra Central - WIDP Central Team outputs

No	Output	Evidence	Comment
1	Development and maintenance of models: <ul style="list-style-type: none"> WasteMan GHG Benefits Gate Fee GPS Capacity Project List 	Log of models managed by PO	Lead input from [REDACTED]
2	Legal support on project reviews/JR	Management papers and/or ministerial submissions	Anticipate 1 major project review/JR – Lead input from [REDACTED]
3	WIG (terms & Conditions) Monitoring	WIG (t&c) log	Lead input from [REDACTED]
4	Eight quarterly network events	Record of each event	Lead input from [REDACTED]
5	Six contract management Reviews	Six review reports	Lead input from [REDACTED]
6	Six training events	Record of each event	Lead input from [REDACTED]
7	Scrutiny of 2 VBCs	Record of scrutiny	Lead input from [REDACTED] there may be more than 2 VBCs to do
8	WIDP Process Development <ul style="list-style-type: none"> Capacity Project List TMR/TDR Others 	Record of processes on PO file	Lead input from [REDACTED]
9	Meetings <ul style="list-style-type: none"> Transactors – routine monthly X2 WIDP wide 	Record of each event	Lead input from [REDACTED]
10	NAO – engagement with/review of report	Document submission	Inputs from [REDACTED] & transactors
11	Major Project Reviews – Herts & Lancs	Document submission	[REDACTED]
12	Produce and Maintain Contract Management Guidance	Publication of Document	Lead input from [REDACTED]
13	Key Personnel – to ensure that the core LP staff comprising: [REDACTED] are available as required by Defra	Availability of Key Personnel	Lead input from [REDACTED]
14	To ensure that LP and the staff deployed on WIDP are not conflicted i.e. do not work for or have any connection with private sector suppliers/providers	Audit of staff interests	Lead input from [REDACTED]

In addition to the above there are a number of adhoc activities that LP respond/input to. These include:

- Preparation and attendance of GRIW Board meetings
- Responding to FoI/EIR/Briefings
- Responding to LAs inquires
- Responding to Defra policy development initiatives

**SCHEDULE 2
PRICING SCHEDULE
(01/04/2014 to 31/03/2015)**

1.0. Price

1.1. The total price of the Contractor resources for 2014/15 is **£2,251,667** excluding VAT and expenses (charged separately as they arise). The three elements of this are:

- Group 1 – Defra External £574,620 excluding VAT (578 days of support)
- Group 2 – Defra Central £1,007,047 excluding VAT (1,014 days of support)
- Group 3 – WOSP £670,000 excluding VAT (675 days of support)

Further details of which are provided below.

1.2. The day rate is based on a 7 hour day. This day rate is **£1,000** excluding VAT. Expenses are to be charged separately.

1.3. In addition to the days provided for the prices indicated in 1.1. above the Contractor will provide 200 days (100 days for Group 1&2 work and 100 days for Group 3 work) free of charge. This time will be recorded and illustrated on monthly records that support payment. Further the Contractor will provide up to hours 117 days for Group 1&2 work and 50 days for Group 3 work. In total the Contractor will provide an additional total of 367 days free of charge. The actual amount will be reduced/increased pro-rata in line with the actual spend recorded for activities in paragraph 1.1 above as a proportion of the amounts in paragraph 1.1 above.

1.4. Group 1 & 2 work will be invoiced separately to Group 3 work against relevant Purchase Orders

1.5. Time and expenses should be recorded against each group heading. The budgets for each group will be spent flexibly e.g. extended or altered to reflect the actual costs incurred by the Contractor.

1.6. Rates should represent all relevant Contractor costs including:

- Appropriate overheads e.g. office costs and management charges etc.
- Arrangements required to cover a total Liability capped at £5m in aggregate for all claims resulting from this Contract. The Contractor only being liable for things that they can exclusively influence.

2.0. Travel and Subsistence

2.1. The rates quoted in this Contract do not include Travel & Subsistence. These must be agreed with the Authority in advance of travel and claims should always be supported by valid receipts for audit purposes and must not exceed the Authority Travel & Subsistence policy and rates from time to time and as set out on the Authority's intranet, details of which are detailed below:

2.1.1. Rail Travel. All journeys should be standard class rail unless a clear business case demonstrating value for money can be presented. This includes International rail journeys by Eurostar and other international and overseas rail operators.

2.1.2. Mileage Allowance

Mileage Allowance	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Private cars and vans – no public transport rate*	45p	25p
Private cars and vans – public transport rate	25p	25p

Private motor cycles	24p	24p
Passenger supplement	5p	5p
Equipment supplement	3p	3p
Bicycle	20p	20p

* The "no public transport rate" for car and van travel can only be claimed where the use of a private vehicle for the journey is essential e.g. on grounds of disability or where there is no practical public transport alternative. If the use of the vehicle is not essential the "public transport rate" should be claimed.

** Under HMRC rules this expense is taxable.

2.1.3 UK Subsistence

Location	Rate
London (Bed and Breakfast)	£115
UK Other (Bed and Breakfast)	£75

3.0. Invoicing and Payment

- 3.1. Invoices will be paid monthly in arrears in line with the report in Schedule 1, subparagraph 6.1.2.
- 3.2. Monthly invoices are due on the fifth working day of each month and will be accompanied by a breakdown of the monthly costs for transactor resource, commercial support and associated travel and subsistence, which will be agreed prior to invoicing based on the report detailed in Schedule 1, paragraph 6.1.2.
- 3.3. Indicative costs for each monthly invoice for 2014/15 is as follows:

Table 1: Indicative Monthly Invoice Values

Service	Invoice Amount
Defra External	£47,885
Defra Central	£83,921
Defra estimated T&S (External and Central)	£5,000
WOSP	£55,833
WOSP estimated T&S (External and Central)	£3,750
Total Indicative	£196,389

- 3.4. These costs are indicative and will be adjusted in line with work undertaken and agreed actual resource, as per the monthly report detailed in Schedule 1, paragraph 6.1.2.

4.0. Defra Central and External resource allocation

- 4.1. The Defra Central and External resource allocation for 2014/15 will be agreed between the Contractor and the Authority's Project Teams. The allocation of staff to projects may be varied from time to time by mutual agreement between the Authority and the Contractor.
- 4.2. A quarterly reconciliation will be carried out of resources deployed to adjust for and smooth any months which are over or under the planned deployment. To the extent that an over deployment occurs during a reconciliation period, then the excess will be carried forward and off-set against under deployments in future reconciliation period.
- 4.3. WIDP and the Contractor contract managers will meet at least quarterly to manage the total resource expended over each a financial such that it does not exceed the total amount set out in this agreement.

5.0. Gateway and Contract Management Reviews

- 5.1 The Contract Management Reviews and Contract Management Training are provided by the Contractor from 1st April 2014 is included in the cost of the resource, as detailed in paragraph 2 of Schedule 2: Pricing Schedule.
- 5.2 It is anticipated that from 2014/15 the main focus of assurance on individual WIDP projects will be in relation to post close and contract management arrangements. As part of the WIDP post close work stream, it is proposed that such reviews (and any associated training) will be undertaken by the WIDP Post Close team utilising the expertise of the post close Transactors and the wider programme support.