

CONFORMED COPY
OF THE PRINCIPAL CONTRACT DATED 31ST MARCH 2003
AND THE AMENDMENTS TO THE PRINCIPAL CONTRACT
PURSUANT TO THE DEED OF AMENDMENT DATED 28TH MAY 2003

SCHEDULE 6

PRICE SCHEDULE AND
ANNUAL CONTRACT PRICE REVIEW

Part 1

Price Schedule

2003/2004 Contract Prices are used throughout Part 1 of this Schedule

Table 1.1: Refrigerator Unit Price

	Price for each Unit delivered by the relevant WCA directly to the Refrigerator Disposal Contractor	Price for each Unit delivered to a Waste Management Facility other than a facility operated by the Refrigerator Disposal Contractor
	£	£
RUP	17.50	18.84

Table 1.2: Baseline Price

Weight Band			Price per Tonne						
				Phase 1			Phase 2	Phase 3	Phase 4
				a	b	c			
	>	≤		£	£	£	£	£	£
Weight Band 1	0	300,000	BP1	25.72	27.65	36.55	46.46	55.75	57.25
Weight Band 2	300,000	360,000	BP2	28.91	28.91	28.91	39.75	43.36	45.94
Weight Band 3	360,000	420,000	BP3	28.91	28.91	28.91	28.91	33.04	33.30
Weight Band 4	420,000	480,000	BP4	28.91	28.91	28.91	28.91	28.91	33.04
Weight Band 5	480,000	550,000	BP5	28.91	28.91	28.91	28.91	28.91	30.97

a: Contract Year one

b: Contract Year two

c: Contract Year three and each Contract Year thereafter subject to the Baseline Price Reduction in Contract Year three, four, five, six and seven as set out in Table 1.14 of this Schedule.

Table 1.3: Reduced Contract Waste Reduction

	Price per Tonne
Reduced Contract Waste Reduction	£ 23.23

Table 1.4: Standard Unavailability Deduction Rate

Standard Unavailability Deduction Rate
£ 104.65

Table 1.5: Energy Recovery Supplement

Percentage by weight of Contract Waste that is Energy Recovery Tonnes per Contract Year		Price per Tonne	
>	≤		£
0%	36%	E1	26.16
36%	42%	E2	26.69
42%		E3	27.21

Table 1.6a: Household Waste Recycling Site Payment

Household Waste Site		Payment per Site p.a.	
		Prior to Completion of Relevant Works	Post Completion of Relevant Works
		£	£
Brighton	H1	187,535.13	187,535.13
Hove	H2	192,349.09	192,349.09
Crowborough	H3	45,083.78	225,418.90
Eastbourne	H4	190,465.37	190,465.37
Forest Row	H5	109,465.26	109,465.26
Hailsham	H6	106,011.77	106,011.77
Hastings (Pebsham)	H7	148,997.29	222,384.01
Heathfield	H8	107,790.84	107,790.84
Lewes	H9	108,209.44	108,209.44
Mountfield	H10	163,151.38	163,151.38
Newhaven	H11	136,883.90	136,883.90
Seaford	H12	132,907.15	132,907.15
Wadhurst	H13	104,337.35	104,337.35
Uckfield	H14	29,972.13	149,860.66

Table 1.6b: Crowborough Household Waste Recycling Site Capex Change

	£
Change in management fee per annum for each £10,000 change in	784.88

Capex	
-------	--

Table 1.7: Interim Service Supplement

	Price per Tonne	
	Lower of	
	£	£
A	12.87	x

x: Such other amount agreed or determined in accordance with the provision of clause 8A

Table 1.8: Run Out Service Supplement

	Price per Tonne	
	Lower of	
	£	£
A	12.87	x

x: Such other amount agreed or determined in accordance with the provision of clause 8A

Table 1.9: Beneficial Use Supplement

Lowest priced Energy Recovery Supplement	Price per Tonne
	£
E1	26.16

Table 1.10: Performance Deduction

Deduction Category	Price per Occurrence After Rectification Period (if any)
	£
A	1,046.51
B	523.26
C	418.61
D	313.95
E	209.30
F	1,569.77
G	3,139.54

Table 1.11: Recycling Supplement

Percentage by weight of Contract Waste that is Recycled Contract Waste per Contract Year.			Price per Tonne
>	≤		£
0%	18%	R1	13.60
18%	24%	R2	14.13
24%		R3	14.65

Table 1.12: WCA Diversion Compensation Payment

Net Operating Cost Saving		Price Per Tonne
		£
Net Operating Cost Saving (Baseline element)	X1	23.23
Net Operating Cost Saving (Recycling element)	X2	6.86

Table 1.13 : WCA Non-Separation Compensation Payment

Net Operating Cost Saving		Price Per Tonne
		£
Net Recycling Operating Cost Saving	X3	6.86

Table 1.14: Baseline Price Reduction

	Contract Year Commencing				
	1 st April 2005	1 st April 2006	1 st April 2007	1 st April 2008	1 st April 2009
	£	£	£	£	£
Baseline Price Reduction per tonne. Applies to all weight bands.	0.41	0.62	0.93	0.62	0.21

Table 1.15 : Net Recycling Income Loss

Rate Per Tonne	Net Materials Recycling Income Loss Payment for each tonne eligible Diversion/Non Separation Compensation Payment
	£
Rate Per Tonne	6.79

Other Elements of the Unitary Payment where there is no fixed sum.

C	Councils' share of net income from the sale of Recyclable Materials.
F	Reconciliation Payments as may be payable or deductible for the relevant period in calculating the Unitary Charge.
G	Councils' share of any Excess Profits.
K	Councils' share of any additional income derived from the transfer of the NFFO Contract.
L	Landfill Tax liability.
M	Councils' share of Fiscal Benefits income.
V	The amount (if any) payable by or reimbursable to the Councils in respect of any of: a Council Change arising under clause 24 (Change to the Works or Services); a change arising under clause 25 (Change in Law); the Freehold Saving under clause 8A

	<p>(Newhaven ERP); Compensation Event under clause 16; Excess Acquisition Costs at Newhaven under clause 8A (Newhaven ERP); Excess Acquisition Costs at Pebsham under clause 8B (Planning Permission for New Technology); Off-Site Works under clause 8A (Newhaven ERP) and 8B (Planning Permission for New Technology); Construction Competition Cost Savings; Off Site Expenditure under clause 8A (Newhaven ERP) and clause 8B (Planning Permission for New Technology), Planning Appeal Costs under clause 8A (Newhaven ERP) and 8B (Planning Permission for New Technology); Contractor Change under clause 24 (Change to Works and Services); PPC Permit Appeal Costs under clause 9A (PPC Permit for the Newhaven ERP) and 9B (PPC Permit for the New Technology); Agreed Non-Completion Damages for each of Uckfield HWRS and Pebsham HWRS under Clause 94 (Agreed Non Completion Damages); any Refinancing Gain under clause 29 (Refinancing); repayment of credit balance of Retention Fund Account under clause 61 (Expiry of the Contract Period); withholding of the Remedial Handback Works Amount under clause 61 (Expiry of Contract Period); Interim Pebsham Service Supplement under clause 8B (Planning Permission for New Technology); any payment or rebate arising pursuant to paragraph 6.4 of Part 1 of Schedule 12 (Household Waste Recycling Site Payment)</p>
Z	Any VAT compensation in accordance with clause

SCHEDULE 6

Part 2

Annual Contract Price Review

2003/2004 Contract Prices are used throughout Part 2 of this Schedule.

1. PRICING

Table 2.1: Refrigerator Unit Price

RUP	£	Review Factor %
Price for each Unit delivered by the relevant WCA directly to the Refrigerator Disposal Contractor	17.50	100%
Price for each Unit delivered to a Waste Management Facility other than a facility operated by the Refrigerator Disposal Contractor	18.84	100%

Table 2.2: Baseline Price

Weight Band	Review Factor %	Baseline Price Per Tonne									
			Phase								
			1			2				3	4
			a	b	c						
			£	£	£	£	£	£			
Weight Band 1	70%	BP1	25.72	27.65	36.55	46.46	55.75	57.25			
Weight Band 2	70%	BP2	28.91	28.91	28.91	39.75	43.36	45.94			
Weight Band 3	70%	BP3	28.91	28.91	28.91	28.91	33.04	33.30			
Weight Band 4	70%	BP4	28.91	28.91	28.91	28.91	28.91	33.04			
Weight Band 5	70%	BP5	28.91	28.91	28.91	28.91	28.91	30.97			

a: Contract Year one

b: Contract Year two

c: Contract Year three and each Contract Year thereafter subject to the Baseline Price Reduction in Contract Year three, four, five, six and seven as set out in Table 2.14 of this Schedule.

Table 2.3: Reduced Contract Waste Reduction

	Review Factor %	Price Per Tonne
Reduced Contract Waste Reduction	70%	£23.23

Table 2.4: Standard Unavailability Deduction Rate

Review Factor %	Standard Hourly Unavailability Deduction Rate
100%	£104.65

Table 2.5: Energy Recovery Supplement

Energy Recovery Supplement Band	Percentage by weight of Contract Waste that is Energy Recovery Tonnes per Contract Year		Review Factor %	Energy Recovery Supplement Per Tonne
	>	≤		
Recovery Supplement Band 1	0%	36%	100%	£26.16
Recovery Supplement Band 2	36%	42%	100%	£26.69
Recovery Supplement Band 3	42%		100%	£27.21

Table 2.6a: Household Waste Recycling Site Payment

Household Waste Recycling Site	Review Factor %	Household Waste Recycling Site Payment (£)	
		Prior to Completion and Certification of Works	Post Completion and Certification of Works
<i>Brighton & Hove Council</i>			
Sheepcote Valley, Brighton	100%	187,535.13	187,535.13
Leighton Road, Hove	100%	192,349.09	192,349.09
<i>East Sussex County Council</i>			
Crowborough	100%	45,083.78	225,418.90
Eastbourne (Roselands)	100%	190,465.37	190,465.37
Forest Row	100%	109,465.26	109,465.26
Hailsham	100%	106,011.77	106,011.77
Hastings (Pebsham)	100%	148,997.29	222,384.01
Heathfield	100%	107,790.84	107,790.84
Lewes	100%	108,209.44	108,209.44
Mountfield	100%	163,151.38	163,151.38
Newhaven	100%	136,883.90	136,883.90
Seaford	100%	132,907.15	132,907.15
Wadhurst	100%	104,337.35	104,337.35
Uckfield	100%	29,972.13	149,860.66

Table 2.6b: Crowborough Household Waste Recycling Site Capex Change

	Review Factor %	£
Change in management fee per annum for each £10,000 change in Capex	100%	784.88

Table 2.7: Interim Service Supplement

Review Factor %	Interim Service Supplement Per Tonne
100%	£12.87

Table 2.8: Run Out Service Supplement

Review Factor %	Run Out Service Supplement Per Tonne
100%	£12.87

Table 2.10: Performance Deductions

Deduction Category	Review Factor %	Performance Deductions (£)
A	100	1,046.51
B	100	523.26
C	100	418.61
D	100	313.95
E	100	209.30
F	100	1,569.77
G	100	3,139.54

Table 2.11: Recycling Supplement

Recycling Supplement Band	Percentage by weight of Contract Waste that is Recycled Contract Waste per Contract Year.		Review Factor %	Recycling Supplement Per Tonne
	>	≤		
Recycling Supplement Band 1	0%	18%	100%	£13.60
Recycling Supplement Band 2	18%	24%	100%	£14.13
Recycling Supplement Band 3	24%		100%	£14.65

Table 2.12: WCA Diversion Compensation Payment

		Review Factor %	Rate per Tonne
Diversion – Net Operating Cost Saving	X1	70%	£23.23
Diversion – Net Recycling Operating Cost Saving	X2	70%	£6.86

Table 2.13: WCA Non-Separation Compensation Payment

		Review Factor %	Rate per Tonne
Non-Separation – Net Recycling Operating Cost Saving	X3	70%	£6.86

Table 2.14: Baseline Price Reduction

	Review Factor %	Contract Year Commencing				
		1 st April 2005	1 st April 2006	1 st April 2007	1 st April 2008	1 st April 2009
		£	£	£	£	£
Baseline Price Reduction per tonne. Applies to all weight bands.	100%	0.41	0.62	0.93	0.62	0.21

Table 2.15: Net Recycling Income Loss

Rate Per Tonne	Review Factor %	Net Materials Recycling Income Loss Payment for each tonne eligible Diversion/Non Separation Compensation Payment
		£
Rate Per Tonne	100%	6.79

2. TIMING OF AND FORMULA FOR ANNUAL CONTRACT PRICE REVIEW

2.1 On the first Annual Contract Price Review Date, the tendered rate for each Reviewable Item will be multiplied by I, and on each Annual Contract Price Review Date thereafter the then applicable rate for each Reviewable Item will be multiplied by I where I is the result of the following Indexation Formula.

$$I = 1 + ((A - B)/B) * F$$

where:

A = the Index in respect of the Relevant Date

B = the Index at December 2002

F = the Review Factor applicable to the Reviewable Item.

- 2.2 If the basis of the computation of the Index shall change, any official reconciliation between the two bases of computation published by the office for National Statistics (or any other body or government department upon which the duties in connection with compilation and maintenance of the Index have devolved) shall be binding upon the Parties.
- 2.3 In the absence of any official reconciliation referred to in paragraph 2.2 such adjustments shall be made to the figures of the Index as to make it correspond as nearly as possible to the previous method of computation and such adjusted figures shall be used to the exclusion of the actual published figures (until officially reconciled figures are published) and in the event of a dispute regarding such adjustments such dispute shall be determined in accordance with **clause 70** (Dispute Resolution).