

Appendix 5

Risk specific to DCC: HRC Joint Procurement

Risk Description	Category	Rating	Mitigation
Treatment costs of residual waste arising from HRCs falls to DCC so any increase in residual waste will increase DCC's annual costs.	Financial	Medium	HRC policies; Contractual KPIs and residual waste inspection protocol
Changes to the HRC User Policy (e.g. removal of booking system or DIY Construction waste charges) will be classified as a material change in the contract and evoke renegotiation of contract price.	Financial	Medium	Early consultation via Partnership Scrutiny (September 2020) and formal sign off by Cabinet requested (October 2021).
Contractor's projections on income (through charging for deposit of certain waste streams) could be inaccurate, leading to financial loss for the contractor, leading to under performance and/or termination/withdrawal.	Financial	Medium	Income is 100% Contractor risk. Terms and Conditions protect DCC from loss. Financial checks carried out bidder During tender evaluation. Contractor has experience of charging on another contract to help inform pricing schedule.
Information supplied to bidders around TUPE from the incumbent site operator may not be accurate, leading	Financial	Low	Clarification was sought from incumbent during the procurement process. Analysis indicated the

to increased staffing costs (as per clarification response)			financial risk to be small (Discrepancies between pension contributions paid by the incumbent contractor and minimum requirements).
Change of locally based site operator, well known for excellent customer care and services could be unpopular with DCC residents/communities	Reputational	Low	Site operator did not bid for contract. Range of NEW community benefits and contractual enhancements to be promoted to residents, including free compost and re-use initiatives. Contractor has good track record in promoting positive new stories, and strong focus on staff development.
Short mobilisation period could result in delays to the Commencement Date	Operational/ Financial	Medium	Sourcing plant and equipment to take over sites will be challenging but bidder has provided assurances around this. Negotiation to purchase some equipment with incumbent operator possible
Award dependant on CBCC Cabinet Approval 26 th October 2021. Failure to appoint the preferred bidder would result in DCC having to retender and a minimum 6 month delay.	Financial	Medium	Risk is highly unlikely to occur as both LA's gain financially from the procurement outcome, and quality scores for the 2 bidders were similar, meaning the lowest cost tenderer is the preferred bidder.

