



ORDER

ORDER NO: SER/ 0721	Date of Order: 09/11 2017
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(To be quoted on all correspondence relating to this Order)

<p>FROM (Customer):</p> <p>Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B5 4UA</p> <p>Customer's representative: Matthew Stalker</p> <p>T: +44 (0) 121 644 7573 E: matthew.stalker@ofwat.gsi.gov.uk</p>	<p>TO (Contractor):</p> <p>KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL.</p> <p>Contractor's Representative: [REDACTED]</p> <p>[REDACTED]</p>
<p>SERVICES TO BE DELIVERED TO:</p> <p>Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B5 4UA</p>	<p>INVOICE ADDRESS:</p> <p>finance@ofwat.gsi.gov.uk</p> <p>or</p> <p>Finance Team Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B4 5UA</p>
<p>Any Contract arising from this Order shall be governed by the Call-Off Terms and Conditions as set out in the Ofgem Framework Agreement for Economic, Financial and Related Consultancy Services, and KPMGLLP, with effect from 1 September 2015; the Customer's Invitation to Tender (ITT) for PR19 – Innovation and Efficiency Gains from the Totex Framework ref PROC.01.0580 , issued on the mytenders website on 16 October 2017, the Contractor's bid titled "PR19 -Innovation and Efficiency Gains from the TOTEX Framework Project ref: PROC.01.0580" dated 29 October 2017 and any enhancements thereto and provisions expressly listed herein.</p>	

Description of Services Requirement:

PR19 – Innovation and Efficiency Gains from the Totex framework (PROC.01.0580)

Service Category

Pan-Regulators’ Framework for Economic, Financial & Related Consultancy Services - Sub-lot 3D Economic Appraisal

Contract Period

The Commencement Date shall be 16 November 2017

The expiry date is 30 March 2018 unless extended or terminated earlier in accordance with the Contract.

Charges

The Capped Price for the project is £105,500, being the maximum amount payable to the Contractor for completion of the project, the Capped Price will only be exceeded by agreement between the Customer and the Contractor. Such agreement will only be given by the Customer where cost overruns have arisen as a result of the work involved being over and above that reasonably anticipated prior to the Customer’s approval to commence work on the project.

The scope of services is as described in the Invitation to Tender Document and the Tender submission by the Contractor dated 29 October 2017.

Where the resource costs incurred by the Contractor in performing the Services falls below the Capped Price, the Contractor shall invoice the Customer for the actual value of the Services provided according to the charge rates described in the Order Form.

The Services/deliverables which satisfactorily address any points raised by the Customer and their acceptance by the Customer will signify successful completion of this element of project.

The charge rates are all inclusive with the sole exceptions of:

- Disbursement for travel and subsistence expenses;
- Value Added Tax.

Travel Rates shall be paid with the agreement of the Customer’s Representative and in accordance with Appendix A.

The Project Team Daily Charge Rates

KPMG /Aqua Grade (Ofgem Grade)	Estimated Days	Daily Discounted Rate (£)
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]



The Customer will not pay for:

1. Any items which it regards as part of the Contractor's overheads (for example; word-processing, secretarial time, cost of faxes and telephone charges);
2. Any expenses not authorised in advance by the Customer's project director (Ynon Gablinger);
3. Travelling time unless the Customer's project director has authorised in advance the payment of travelling time. Requests for authorisation by the project director are to be submitted via the project manager.

Key Deliverables

- 1) A short presentation on 1 December providing an indication of direction of travel setting out the initial evidence on the possible scope of savings attributable to totex/ODI
- 2) Producing and presenting an initial draft report by 5 January 2018.
- 3) Producing a final draft of the report to advise Ofwat on implementing at PR19 methodology by 26 January 2018.

Invoicing and Payment

Payment will be due upon Acceptance by the Customer of the Deliverables in accordance Clause 3 of the schedule 5 Call off terms and the percentage payments specified below.

Deliverables/Milestones	Percentage payment of Capped price
On acceptance of the first draft materials	30%
On acceptance of the final materials and post-project feedback and lessons learned	70%

All invoices shall contain the following information:

- the Order number (as stated above);
- a summary of the Services; and
- the line value; total value excluding Value Added Tax (VAT), the VAT percentage and total value including VAT.

The Customer shall pay the Contractor within thirty (30) calendar days of receipt of a valid invoice, submitted in accordance with the payment profile set out above and the provisions of this Contract.

Invoices must not contain the Contractor's terms and conditions, nor can reference be made to the Contractor's terms and conditions. Invoices with the Contractor's terms and conditions printed on them or referred to therein will not be accepted by the Customer.

Contractor's Key Personnel

Core Team

[REDACTED]

Variation to Contract

Variations shall only be effective if agreed in writing by both parties

Formation of Contract

BY SIGNING AND RETURNING THIS ORDER FORM THE CONTRACTOR AGREES to enter into a legally binding contract with the Customer to provide to the Customer the Services specified and referred to in this Order Form incorporating the rights and obligations in the Call-Off Terms and Conditions set out in the Framework Agreement entered into by the Contractor effective from 1 September 2015.

The Parties hereby acknowledge and agree that they have read the Order Form and Conditions of Contract for Professional Service including Consultancy and by signing below agree to be bound by this Contract.

Appendix A - Travel Rates

Receipts must be submitted with all claims and must be in accordance with these rates

Accommodation:

Paid on actual expenditure within the following prescribed ceilings:

London	£165
Elsewhere	£115
Private residence	£25

These rates cover a 24 hour period for accommodation only, inclusive of VAT, receipts must be submitted.

Mileage Rates:

25p per mile

A mileage log must be submitted (to/from, mileage/date, to see/purpose)

Rail Travel

The actual cost of public transport (normally rail) may be reimbursed. Economy Class (second class) rail tickets should be purchased.

OFFICIAL: COMMERCIAL - SENSITIVE

For and on behalf of the Contractor:

Name	[REDACTED]
Position	[REDACTED]
Signature	[REDACTED]
Date	2/4/18

For and on behalf of the Customer:

Name	Camden Post
Position	CEO
Signature	[REDACTED]
Date	2/11/17