

IUS CONSOLIDATED CONTRACT SCHEDULE

CONSOLIDATED SCHEDULE 9  
CHARGES AND INVOICING

for Contract Number DCNS/119

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## **CONSOLIDATED SCHEDULE 9 CHARGES AND INVOICING**

This Consolidated Schedule provides a consolidated version of Schedule 5.1 (*Charges and Invoicing*) of the Call-Off Terms, Appendix 10 to the Call-Off Form and the Customer Authority's special terms relating to charges and invoicing.

Capitalised terms used but not defined in this Consolidated Schedule are defined in Consolidated Schedule 1 (*Definitions*).

### **1 INTRODUCTION**

**1.1** This Consolidated Schedule sets out provisions relating to:

**1.1.1** Charges (see Part A of this Consolidated Schedule), including in respect of;

- (i) Milestone Payments (see Paragraph 2 below);
- (ii) Service Charges (see Paragraph 3 below);
- (iii) the Management Charge (see Paragraph 4 below);
- (iv) discounts and subsidies (see Paragraph 5 below);
- (v) expenses (see Paragraph 6 below);
- (vi) Milestone Payment Reductions (see Paragraph 7 below);
- (vii) Asset Budget (see Paragraph 8 below);
- (viii) changes to the Charges (see Paragraph 9 below);
- (ix) termination and the ordering of Capability Charge Service Elements (see Paragraph 10 below);
- (x) the charges for Re-Procurement Assistance and Exit Assistance (see Paragraph 11 below);
- (xi) Payments on Termination (see Paragraph 12) below; and

**1.1.2** invoicing (see Part B of this Consolidated Schedule), including in respect of:

- (i) the invoicing of Indirect Customers (see Paragraph 13 below);
- (ii) Monthly Billing Summaries (see Paragraph 14 below);
- (iii) supporting documentation for invoices (see Paragraph 15 below);
- (iv) requirements for Final Invoices (see Paragraph 16 below);
- (v) payment terms (see Paragraph 17 below); and
- (vi) billing and invoicing systems (see Paragraph 18 below).

**1.1.3** the information required in, and the form of, each Monthly Billing Summary;

**1.1.4** the Contractor's Call-Off Service Catalogue (Appendix 2 to this Consolidated Schedule);

**1.1.5** the charging triggers for the Service Charges, by Service (Appendix 3 to this Consolidated Schedule); and

1.1.6 example calculations of the Service Charges (Appendix 4 to this Consolidated Schedule).

## PART A - CHARGES

### 2 MILESTONE PAYMENTS

2.1 The Contractor acknowledges that Milestone Payments are only associated with the performance of Key Milestones. In accordance with Paragraph 2.2 of Part A of Schedule 5.1 (*Charges and Invoicing*) of the Call-Off Terms, and subject to Paragraph 2.3 below, upon the issue of an Unconditional Milestone Achievement Certificate in relation to a Key Milestone against which a Milestone Payment is shown in Table 1 (*Milestone Payments*) below, the Contractor may charge to the Customer Authority (and invoice the Customer Authority for in accordance with Part B of this Consolidated Schedule) such Milestone Payment:

Milestone number	Key Milestone name	Milestone Payment (£)	Percentage of total Milestone Payments (%)
1	Milestone number 1: Key Milestone, Initial Deliverables	■	0%
2	Milestone number 2: Key Milestone, Service Management Established	■■■■■	23%
7	Milestone number 7: Key Milestone, Service Acceptance Date – Transition: All Services	■■■■■	20%
8	Milestone number 8: Key Milestone, Core Capability and Automated Attendant	■■■■■	3%
9	Milestone number 9: Key Milestone, Fifty per cent (50%) of Internet Protocol Telephony	■■■■■	0.33%
10	Milestone number 10: Key Milestone, Eighty per cent (80%) of Internet Protocol Telephony and Automated Call Distribution	■■■■■	28%
11	Milestone number 11: Key Milestone, Service Acceptance Date – Migration: Fixed Voice Service	■■■■■	9%
12	Milestone number 12: Key Milestone, Service Acceptance Date – Migration: Operator Assistance Service	■	0%
13	Milestone number 13: Key Milestone, Service Acceptance Date – Migration: Conferencing Service	■	0%
14	Milestone number 14: Key Milestone, Service Acceptance Date – Migration: Boundary	■	0%

Milestone number	Key Milestone name	Milestone Payment (£)	Percentage of total Milestone Payments (%)
	<i>Protection Service</i>		
15	<i>Milestone number 15 : Key Milestone, Service Acceptance Date – Migration: Mobile Voice and Data Service</i>		2%
20	<i>Milestone number 20: Key Milestone, Implementation Programme Closure Report</i>		15%

*Table 1 - Milestone Payments*

**2.2** Where, in accordance with Paragraph 12.5 of Consolidated Schedule 19 (*Testing Procedures*), a Conditional Milestone Achievement Certificate is issued in relation to Milestone number 2: *Key Milestone, Service Management Established*, Milestone number 7: *Key Milestone, Service Acceptance Date – Transition: All Services*, Milestone number 8: *Key Milestone, Core Capability and Automated Attendant*, Milestone number 9: *Key Milestone, Fifty per cent (50%) of Internet Protocol Telephony* or Milestone number 10: *Key Milestone, Eighty per cent (80%) of Internet Protocol Telephony and Automated Call Distribution*, the Contractor may charge to the Customer Authority (and invoice the Customer Authority for in accordance with Part B of this Consolidated Schedule) sixty per cent. (60%) of such Milestone Payment. The Contractor may only charge to the Customer Authority (and invoice the Customer Authority for in accordance with Part B of this Consolidated Schedule) the remaining forty per cent. (40%) of such Milestone Payment upon the issue of an Unconditional Milestone Achievement Certificate for that Key Milestone.

**2.3** The Contractor may only charge to the Customer Authority (and invoice the Customer Authority for) the Milestone Payment associated with:

**2.3.1** Milestone number 1: *Key Milestone, Initial Deliverables*;

**2.3.2** Milestone number 11: *Key Milestone, Service Acceptance Date – Migration: Fixed Voice Service*;

**2.3.3** Milestone number 12: *Key Milestone, Service Acceptance Date – Migration: Operator Assistance Service*;

**2.3.4** Milestone number 13: *Key Milestone, Service Acceptance Date – Migration: Conferencing Service*;

**2.3.5** Milestone number 14: *Key Milestone, Service Acceptance Date – Migration: Boundary Protection Service*;

**2.3.6** Milestone number 15: *Key Milestone, Service Acceptance Date – Migration: Mobile Voice and Data Service*; and

**2.3.7** Milestone number 20: *Key Milestone, Implementation Programme Closure Report*, once an Unconditional Milestone Achievement Certificate is issued in relation to that Key Milestone.

### 3 SERVICE CHARGES

#### 3.1 Introduction

3.1.1 The Contractor shall be entitled to invoice the Customer Authority for the Service Charges (the “**Monthly Service Charge**”) for a Service Measurement Period in accordance with this Paragraph 3.

3.1.2 The Monthly Service Charge for a Service Measurement Period shall be calculated by reference to the Contractor’s Call-Off Service Catalogue and this Consolidated Schedule, and shall be comprised of only Service Charges for the:

- (i) Service Management;
- (ii) Fixed Voice Service;
- (iii) Conferencing Service;
- (iv) Operator Assistance Service;
- (v) Mobile Voice and Data Service;
- (vi) Boundary Protection Service;
- (vii) Encryption Service; and
- (viii) Professional Services,

delivered in that Service Measurement Period, as determined in accordance with the principles described in the remainder of this Paragraph 3.

3.1.3 Unless otherwise agreed by the Parties in accordance with Consolidated Schedule 16 (*Contract Change Procedure*), the Monthly Service Charge shall only be calculated in accordance with the exhaustive list of Service Unit Prices set out in the Contractor’s Call-Off Service Catalogue, and charges that are not calculated in accordance with the Service Unit Prices set out in Contractor’s Call-Off Service Catalogue shall not be included in the Monthly Service Charge.

#### 3.2 Charging principles

3.2.1 The Contractor shall not be entitled to charge (or to invoice) the Customer Authority for Service Charges in relation to a particular Service for a particular Customer Authority Site (but which are not Service Charges for Capability Charge Service Elements) until the Contractor has Achieved Milestone numbers:

- (i) 5.1: Service Deployment (Site Rollout) – Migration: Fixed Voice Service, in respect of Fixed Voice Service;
- (ii) 5.2: Service Deployment (Site Rollout) – Migration: Mobile Voice and Data Service, in respect of Mobile Voice and Data Service;
- (iii) 6.1: Service Acceptance Date – Implementation: Boundary Protection Service, in respect of Boundary Protection Service;
- (iv) 6.2: Service Acceptance Date – Implementation: Operator Assistance Service, in respect of Operator Assistance Service;
- (v) 6.3: Service Acceptance Date – Implementation: Encryption Service, in respect of Encryption Service; or

- (vi) 6.4: Service Acceptance Date – Implementation: Conferencing Service, in respect of Conferencing Service,

in respect of that particular Service for that particular Customer Authority Site.

**3.2.2** The Contractor shall not be entitled to charge (or to invoice) the Customer Authority for any Charges in respect of a Capability Charge Service Element:

- (i) provided as part of the Service Management, unless the Contractor has Achieved Milestone number 2: *Key Milestone, Service Management Established* and the Contractor is entitled to charge (and to invoice) Service Charges for the provision of any other Service Element (excluding the *Service Management – twenty four (24) hours, seven (7) days a week Uplift* Service Element) in accordance with Paragraph 3.2.1 above and Appendix 3 to this Consolidated Schedule;
- (ii) provided as part of the Encryption Service, unless such Encryption Service is required for the provision of the Services and the Contractor is entitled to charge (and to invoice) Service Charges for the provision of any Volume Charge Service Elements for the Fixed Voice Service, the Conferencing Service or the Operator Assistance Service to which such Encryption Service relates in accordance with Paragraph 3.2.1 above and Appendix 3 to this Consolidated Schedule;
- (iii) provided as part of the Fixed Voice Service, unless the Contractor is entitled to charge (and to invoice) Service Charges for the provision of any Volume Charge Service Elements for the Fixed Voice Service in accordance with Paragraph 3.2.1 above and Appendix 3 to this Consolidated Schedule;
- (iv) provided as part of the Conferencing Service, unless the Contractor is entitled to charge (and to invoice) Service Charges for the provision of any Volume Charge Service Elements for the Conferencing Service in accordance with Paragraph 3.2.1 above and Appendix 3 to this Consolidated Schedule;
- (v) not described in Paragraphs 3.2.2(i) to 3.2.2(iv) above, unless the Contractor is entitled to charge (and to invoice) Service Charges for the provision of any Volume Charge Service Element for that Service (where applicable, at the same Security Classification as the relevant Capability Charge Service Element for that Service) in accordance with Paragraph 3.2.1 above and Appendix 3 to this Consolidated Schedule.

**3.2.3** The Contractor shall not be entitled to charge the Customer Authority (or to invoice the Customer Authority) for Service Charges for any Service unless the conditions in Appendix 3 to this Consolidated Schedule have been fulfilled.

**3.2.4** The Contractor shall not be entitled to charge to the Customer Authority (or to invoice the Customer Authority for) Service Charges in respect of any Service, Service Element or Unit that has not been (or is not being, as applicable) performed.

#### **Monthly Service Charge formula**

3.2.5 In relation to each Service,  $N$ , the Monthly Service Charge for a Service Measurement Period shall be the sum of all Service Charges that the Contractor is entitled to charge the Customer Authority for in accordance with this Consolidated Schedule for the relevant Service Measurement Period (including all relevant Recurring Charges and Non-Recurring Charges).

3.2.6 Subject to the provisions of this Consolidated Schedule, the Monthly Service Charge for a Service Measurement Period shall be calculated in accordance with the following formula:

$$MSC_N = \text{Volume Charges}_{\text{R}} + \text{Volume Charges}_{\text{NR}} + \text{Capability Charges}_{\text{R}} + \text{MACCharges}_{\text{NR}}$$

where:

“R” denotes where the applicable charges are Recurring Charges; and

“NR” denotes where the applicable charges are Non-Recurring Charges.

3.2.7 A worked example is set out at Appendix 4 to this Consolidated Schedule.

#### **Reductions to Recurring Charges**

3.2.8 Where a Unit of Service Element is ceased in a Service Measurement Period, then any Recurring Charge for that Unit of Service Element in that Service Measurement Period shall be multiplied by the Cease Days Ratio.

3.2.9 Where a Unit of Service Element is first ordered in a Service Measurement Period, then any Recurring Charge for that Unit of Service Element in that Service Measurement Period shall be multiplied by the Order Days Ratio.

#### **Pre-Migration Service Unit Prices and Post-Migration Service Unit Prices**

3.2.10 In respect of each Service being provided for a Customer Authority Site prior to the Achievement of Milestone numbers:

- (i) 5.1: Service Deployment (Site Rollout) – Migration: Fixed Voice Service, in respect of Fixed Voice Service;
- (ii) 5.2: Service Deployment (Site Rollout) – Migration: Mobile Voice and Data Service, in respect of Mobile Voice and Data Service;
- (iii) 6.1: Service Acceptance Date – Implementation: Boundary Protection Service, in respect of Boundary Protection Service;
- (iv) 6.2: Service Acceptance Date – Implementation: Operator Assistance Service, in respect of Operator Assistance Service;
- (v) 6.3: Service Acceptance Date – Implementation: Encryption Service, in respect of Encryption Service; or
- (vi) 6.4: Service Acceptance Date – Implementation: Conferencing Service, in respect of Conferencing Service,

in respect of that particular Service for that particular Customer Authority Site, the Contractor shall charge (and invoice) the Customer Authority for the Service Elements for such Service that have the letter “A” at the end of their Service Element Code within the Contractor’s Call-Off Service Catalogue (the “**Pre-Migration Service Unit Prices**”). From and after the Achievement of such Milestone in respect of that particular Service for that particular Customer Authority Site, the Contractor shall charge (and invoice) the Customer Authority for the Service Elements for such Service that have the letter “B” at the end of their Service Element Code within the Contractor’s Service Call-Off Catalogue (the “**Post-Migration Service Unit Prices**”).

#### **Other principles**

**3.2.11** The Contractor shall not be entitled to charge (nor to invoice) the Customer Authority for any Non-Recurring Charges:

- (i) for those Units of a Service Element (or substantially similar elements of service) that have been transitioned from one or more of the Outgoing Service Providers to the Contractor;
- (ii) for those Units of a Service Element (or substantially similar elements of service) that relate to Equipment that has been installed or commissioned by the Customer Authority or one or more of the Outgoing Service Providers; or
- (iii) in respect of any Units of Service Elements for which a Non-Recurring Charge has already been paid. For example (and without limitation), if prior to the date on which a Service is Migrated, the Customer Authority has paid a Non-Recurring Charge for 100 Units of specific Service Elements, the Contractor shall not, on or after the date on which the Service is Migrated, be entitled to charge (nor to invoice) the Customer Authority for any new or additional Non-Recurring Charges in respect of those 100 Units).

**3.2.12** Where an upgrade, downgrade, re-grade, amendment, move or change of a Service or Service Element (or any part of them) has been effected via a MAC, then the Contractor shall only be entitled to invoice the Customer Authority (and only in accordance with Appendix 3 to this Consolidated Schedule) for the Service Unit Price associated with such MAC. The Contractor shall not be entitled to charge (nor to invoice) the Customer Authority for any other charge in relation to the relevant upgrade, downgrade, re-grade, amendment, move or change.

**3.2.13** Where an upgrade, downgrade, re-grade, amendment, move or change (including in relation to a Service or Service Element (or any part of it)):

- (i) is to be carried out in connection with Implementation (including the activities described in Consolidated Schedule 2 (*Implementation Plan*)); or
- (ii) is covered by Services described in Consolidated Schedule 3 (*Service Requirements and Contractor Service Descriptions*) as forming part of the capability to which a Capability Charge relates,

then the Contractor shall not be entitled to charge (nor to invoice) the Customer Authority for any MAC Charges in relation to such upgrade, downgrade, re-grade, amendment, move or change. The Parties acknowledge that the Contractor’s

performance of such upgrade, downgrade, re-grade, amendment, move or change shall not be conditional upon the Customer Authority ordering a MAC Charge Service Element.

- 3.2.14** If the Customer Authority requires that a Unit of Service Element is ceased, the Contractor shall not be entitled to charge (nor to invoice) the Customer Authority for any Recurring Charges in relation to such Unit of Service Element, from the earliest of:
- (i) the date on which the cease is completed in accordance with the Customer Authority's instructions;
  - (ii) where the cease is requested via a MAC, the date on which the applicable Service Level for Provisioning (as set out in Consolidated Schedule 4 (*Service Levels and Related Remedies*)) would be failed (for example, if the Service Level for Provisioning is thirty (30) Working Days, but the cease takes thirty two (32) days to take effect, no Recurring Charges are due in respect of the additional two (2) Working Days during which the relevant Unit was not ceased); and
  - (iii) any other date on which the cease ought to have occurred, as specified in accordance with the terms of this Consolidated Contract (including in accordance with Paragraph 9 of this Consolidated Schedule).
- 3.2.15** If an entire Service is terminated for any reason whatsoever, the Contractor shall not be entitled to charge (nor to invoice) the Customer Authority for any MACs for ceases of relevant Units of Service Elements. However, if such termination is a termination by the Customer Authority for convenience pursuant to Clause 47.9 of this Consolidated Contract during the Initial Term, then the Customer Authority shall make a Termination Payment in accordance with Consolidated Schedule 13 (*Payments on Termination*).

#### **Principles applying to Professional Services**

- 3.2.16** Where the Contractor is charging for Services using the Rate Card and less than a Man Day is worked on any given day, then the Charges shall be reduced pro-rata.
- 3.2.17** At the Customer Authority's request, the Contractor shall provide either or both of an estimate and firm quote for the provision of the Professional Services, and such quote shall:
- (i) be calculated per Man Day. If less than a Man Day is worked on any given day, then the Charges shall be reduced pro-rata;
  - (ii) relate to the amount of Man Days directly and necessarily spent by such persons in the performance of the given Professional Service at the rates set out in the Rate Card (or in the absence of an appropriate Rate Card, at cost); and
  - (iii) shall have no cost differential for any day during the week, including but not limited to public holidays.
- 3.2.18** Any Professional Services provided on a Customer Authority Site, shall be provided between 07.00 – 19.00 hours unless otherwise permitted by the Customer Authority.

**3.2.19** The Contractor shall not provide any Professional Services for which the Service Charges shall, or are likely to, exceed fifty thousand pounds sterling (£50,000) until it has:

- (i) notified the Customer Authority of the fact that the threshold described above shall, or is likely to be, so exceeded; and
- (ii) the Customer Authority has confirmed whether the Contractor should submit a Contract Change Note in place of the Professional Services.

**3.2.20** Without prejudice to the Contractor's obligations at Clause 6 (Services) of this Consolidated Contract, the Contractor shall use efficiently all resources chargeable to the Customer Authority in respect of the Professional Service so as to minimise the Charges to the Customer Authority for such Professional Services.

**3.2.21** Upon the Customer Authority's request, the Contractor shall provide to the Customer Authority the curriculum vitae of any of the Contractor Personnel engaged, or to be engaged, in the provision of the Professional Services.

#### **Principles applying to the Fixed Voice Service**

**3.2.22** The Fixed Voice Service shall be provided in such a way that there will be: (i) no call charges for calls made by End Users from the Closed Network; and (ii) no access charges in order for End Users or Voice Service Groups to access the Voicemail Service.

**3.2.23** No Service Charges in respect of any active Voice Port, any Single Number Reach Account, any Voice User Account, any Voice Service Group, any Voicemail Service Account, any Auto-attendant Number, any Audio Conferencing Account, any active Voice Port (together with related End User Device) or any Public Access Service shall be incurred in respect of any period during which the Core Voice Capability is not Available.

### **3.3 Volume Charges**

**3.4** The Customer Authority shall be entitled from time to time to vary its actual throughput (including as against the Service Evaluation Model). The Service Charges for the Services shall be varied in accordance with the amount of variation in actual throughput within a Service Measurement Period (through changing the number of applicable Units required), but the Service Unit Price from which the Service Charges are calculated shall remain the same and any agreed discounts shall remain applicable. Any variation of throughput against the volumes set out in the Service Evaluation Model (subject to Paragraph 10 below) shall not constitute a termination (in whole or in part) of this Consolidated Contract.

## **4 MANAGEMENT CHARGE**

The Charges contained within the Contractor's Call-Off Service Catalogue are exclusive of the Management Charge.

## **5 DISCOUNTS AND SUBSIDIES**

**5.1** The Contractor shall ensure that all discounts and subsidies from which the Contractor and its Group benefits are made available to the Customer Authority, insofar as they relate to the provision of the Services.

## Mobile Services Technology Refresh Fund

**5.2** The Contractor shall provide the following discounts and services in relation to the Mobile Voice and Data Service:

**5.2.1** in respect of each Mobile Device, a discount of at least thirty per cent. (30%) against the manufacturer's VAT-exclusive recommended retail price for the same make, type and model of Mobile Device, such discounted price to be shown (also exclusive of VAT) as a Service Unit Price in the Contractor's Call-Off Service Catalogue against the relevant make, type and model of Mobile Device; and

**5.2.2** in respect of each Financial Year (or part Financial Year) occurring during the Term, a notional credit that may be used by the Customer Authority during that Financial Year (or part Financial Year) for the purchase under this Consolidated Contract of Mobile Devices and accessories (the "**Mobile Service Technology Refresh Fund**").

**5.3** From the Effective Date and until the end of the first Financial Year during the Term, the value of the Mobile Service Technology Refresh Fund shall be calculated pro rata based on the number of days remaining in the Financial Year and a deemed value for the Mobile Service Technology Refresh Fund of five hundred thousand pounds sterling (£500,000) (excluding VAT) per Financial Year.

**5.4** For the second Financial Year during the Term and each subsequent Financial Year of the Term, the value of the Mobile Service Technology Refresh Fund for the Financial Year shall be the higher of:

**5.4.1** five hundred thousand pounds sterling (£500,000) (excluding VAT); and

**5.4.2** twenty per cent. (20%) of the total Service Charges for all Volume Charge Service Element Mobile Voice Tariffs and all Mobile Data Tariffs purchased pursuant to this Consolidated Contract in the previous Financial Year (excluding VAT),

plus any unused amounts from the Mobile Service Technology Refresh Fund from the previous Financial Year (if any).

**5.5** The Contractor shall confirm the value of the Mobile Service Technology Refresh Fund (with evidence of the Contractor's calculations), within thirty (30) Working Days of the commencement of each Financial Year.

### Extension Periods

**5.6** If the Term of this Consolidated Contract is extended in accordance with Clause 46 (*Term*) of this Consolidated Contract, the following discounts shall apply to all Charges calculated in accordance with Paragraph 3 of this Consolidated Schedule:

**5.6.1** a discount of [REDACTED] at all times during the first Extension Period; and

**5.6.2** a discount of [REDACTED] at all times during the second Extension Period.

**5.7** The above discounts shall be applied to the Service Unit Prices set out in the Contractor's Call-Off Service Catalogue immediately prior to the expiry of the Initial Term, and the Contractor shall (for each Extension Period) update the Contractor's Call-Off Service Catalogue to show all Service Unit Prices as inclusive of such discounts.

## 6 EXPENSES

- 6.1** The Charges contained within the Contractor's Call-Off Service Catalogue are deemed to include all expenses incurred by the Contractor, and the Contractor shall not be entitled to be reimbursed by the Customer Authority for travel and subsistence (for example, hotel and food) expenses incurred in the performance of the Services.
- 6.2** Unless otherwise previously agreed in writing between the Contractor and the Customer Authority (such form of writing to refer to this Paragraph 6.2), the Customer Authority will make no specific payments in respect of any expenses incurred by the Contractor.

## 7 MILESTONE PAYMENT REDUCTIONS

- 7.1** In relation to any Key Milestone listed in Table 1 (*Milestone Payments*) above, if:
- 7.1.1** neither an Unconditional Milestone Achievement Certificate nor a Conditional Milestone Achievement Certificate has been issued in relation to such Key Milestone on or before the relevant Milestone Date; or
- 7.1.2** a Conditional Milestone Achievement Certificate has been issued in relation to such Key Milestone on or before the relevant Milestone Date, but by the relevant Revised Milestone Date no Unconditional Milestone Achievement Certificate has been issued for such Key Milestone,

then a sum equal to zero point two five per cent. (0.25%) of the value of the relevant Milestone Payment shall be deducted from the relevant Milestone Payment (or the remainder of the relevant Milestone Payment, where Paragraph 2.2 of this Consolidated Schedule applies) for each additional Working Day up until (and including) the date on which the Unconditional Milestone Achievement Certificate is finally issued (the "**Milestone Payment Reduction**"). For example, as set out in Table 2 (*Example Milestone Payment Calculations*) below:

Example Milestone Payment Reductions: Unconditional Milestone Achievement Certificate	Example Milestone Payment Reductions: Conditional Milestone Achievement Certificates
<p><i>If:</i></p> <p>(i) the Milestone Date for a Key Milestone is Tuesday, 25 August 2015;</p> <p>(ii) no Conditional Milestone Achievement Certificate is issued on or before Tuesday, 25 August 2015; and</p> <p>(iii) the Unconditional Milestone Achievement Certificate is issued on Friday, 28 August 2015,</p> <p><i>then:</i></p> <p>the Milestone Payment for that Key Milestone would be reduced by zero point seven five per cent. (0.75%) of its value.</p>	<p><i>If:</i></p> <p>(i) the Milestone Date for a Key Milestone is Thursday, 20 August 2015;</p> <p>(ii) a Conditional Milestone Achievement Certificate is issued on or before Thursday, 20 August 2015;</p> <p>(iii) the Revised Milestone Date is Tuesday, 25 August 2015; and</p> <p>(iv) the Unconditional Milestone Achievement Certificate is issued on Friday, 28 August 2015,</p> <p><i>then:</i></p> <p>the Contractor would be entitled to charge and invoice for that Key Milestone as</p>

Example Milestone Payment Reductions: Unconditional Milestone Achievement Certificate	Example Milestone Payment Reductions: Conditional Milestone Achievement Certificates
	<p>follows:</p> <p>(a) sixty per cent. (60%) of the applicable Milestone Payment, once the Conditional Milestone Achievement Certificate is issued; plus</p> <p>(b) thirty-nine point two five per cent. (39.25%) (i.e. 40% - 0.75%) of the applicable Milestone Payment, once the Unconditional Milestone Achievement Certificate is issued.</p>

*Table 2 – Example Milestone Payment Reduction Calculations*

- 7.2** The sum of all Milestone Payment Reductions applied to any one Milestone Payment shall not exceed twenty-five per cent. (25%) of the value of that Milestone Payment.
- 7.3** The application of these Milestone Payment Reductions is in addition, and shall be without prejudice, to any other right or remedy of the Customer Authority under this Consolidated Contract or otherwise and the Parties agree they are not a penalty and are less than the estimated adjustment to the Charges that would be necessary to reflect the reduced value of services rendered to the Customer Authority.

## **8 ASSET BUDGET**

- 8.1** Subject to and in accordance with the provisions of this Paragraph 8, the Contractor shall be entitled to charge (and to invoice subject to Paragraph 14 of this Consolidated Schedule) the Customer Authority for the cost of the Pass Through Assets (excluding any Mobile Devices and accessories) and applicable Asset Pass Through Mark-up (together, the “**Asset Pass Through Charge**”).
- 8.2** The Contractor shall only be entitled to invoice the Customer Authority for an Asset Pass Through Charge in respect of Pass Through Assets, once the Contractor has received the relevant Pass Through Assets and has confirmed the same by providing a Goods Received Note to the Customer Authority. An Asset Pass Through Charge shall be invoiced for the Service Measurement Period during which the Goods Received Note was provided to the Customer Authority.
- 8.3** The Contractor shall at all times endeavour to purchase and provide the Pass Through Assets at a price and quality that represents value for money for the Customer Authority.
- 8.4** Where the Asset Pass Through Charge for one or more items of the same type of Pass Through Assets exceeds, or is predicted to exceed, one hundred thousand pounds sterling (£100,000) in aggregate over the Term, the Contractor shall either:
- 8.4.1** procure such Pass Through Assets by competitive tender, which includes at least three bidders with at least two bidders that are not from the Contractor’s Group; or
  - 8.4.2** procure such Pass Through Assets other than by competitive tender, provided that the Contractor can demonstrate that the Asset Pass Through Charge (excluding

the Asset Pass Through Mark-up) for the relevant Pass Through Asset represents value for money to the Customer Authority. At the request of the Customer Authority, the Contractor shall provide the Customer Authority with the following information:

- (i) the identity of the proposed supplier of the Pass Through Assets, and whether they are a member of the Contractor's Group;
- (ii) the approximate value of the proposed order;
- (iii) an explanation as to how the Asset Pass Through Charge (excluding the Asset Pass Through Mark-up) for the relevant Pass Through Asset represents value for money to the Customer Authority; and
- (iv) any other information requested by the Customer Authority.

**8.5** Subject to Paragraph 8.6 below and without prejudice to any of the Contractor's obligations under this Consolidated Contract, the total sum of Asset Pass Through Charges to be invoiced to the Customer Authority in respect of any Financial Year during the Term (the "**Total Asset Expenditure**") shall not exceed the sums set out in Table 3 (*Asset Budgets*) for that Financial Year (each such sum being known as the "**Asset Budget**" for the Financial Year to which it relates), regardless of the actual cost of the Pass Through Assets purchased in any Financial Year:

Time Period	Asset Budget (£)
<b>Initial Term</b>	
Effective Date to the end of first Financial Year	████████
Second Financial Year	████████
Third Financial Year	████████
Fourth Financial Year	█
Fifth Financial Year	████████
First day of sixth Financial Year to expiry of the Initial Term	████████
<b>Extension Period</b>	
First day of the Extension Period to the end of sixth Financial Year	████████
First day of seventh Financial Year to the end of first Extension Period	████████
First day of second Extension Period to the end of seventh Financial Year	████████
First day of eighth Financial Year to expiry of the Extension Period	████████

*Table 3 - Asset Budgets*

- 8.6** The Parties agree that the Asset Budget shall be exclusive of any Asset Pass Through Charges invoiced to the Customer Authority pursuant to a Contract Change.
- 8.7** If in any Financial Year the actual costs (plus any Asset Pass Through Mark-up) of the Pass Through Assets required to deliver the Services in accordance with this Consolidated Contract exceed the amount of the Asset Budget for that Financial Year:
- 8.7.1** the Contractor (and not the Customer Authority) shall bear any such excess costs; and
  - 8.7.2** the Contractor shall not be relieved of its obligations under this Consolidated Contract (including its obligations to comply with the Technology Refresh Plan and the Procurement Plan), and to ensure that all Pass Through Assets are, and continue to be, sufficient and suitable for delivery of the Services in accordance with Clause 6 (*Services*) of this Consolidated Contract.
- 8.8** Notwithstanding the provisions of Paragraph 8.5 above, within thirty (30) Working Days prior to the commencement of each Financial Year, the Parties hereby agree to meet and discuss the Asset Budget and the Procurement Plan for such Financial Year. No amendment shall be made to:
- 8.8.1** the Asset Budget except in accordance with the Contract Change Procedure; or
  - 8.8.2** the Procurement Plan without the prior written agreement of the Customer Authority and the Contractor, referencing this Paragraph 8.8.

## **9 CHANGES TO THE CHARGES**

- 9.1** At the Customer Authority's request, the Contractor shall provide either or both of an estimate and firm quote for the costs of implementing a Contract Change, based on the principles described at Paragraph 9.5 below. Such estimate or firm quote shall be set out clearly in any related CCN prepared by the Contractor in accordance with Consolidated Schedule 16 (*Contract Change Procedure*), and shall:
- 9.1.1** show all costs on the basis of the principles set out at Paragraph 9.5 below;
  - 9.1.2** include (if applicable) estimated volumes of each type of resource to be employed in implementing the Contract Change;
  - 9.1.3** include full disclosure of any assumptions underlying such estimate or quotation;
  - 9.1.4** include (if applicable) evidence of the cost of any Assets required for the Contract Change;
  - 9.1.5** show and explain any proposed variations to the Service Unit Prices as a result of such Contract Change; and
  - 9.1.6** in relation to Major Contract Changes only, show payment date(s) and amount(s) agreed in accordance with Paragraph 9.7 below.
- 9.2** For the purposes of this Consolidated Schedule, a "**firm quote**" shall mean a price that will not vary over time.
- 9.3** The Contractor shall not be entitled to charge the Customer Authority for the costs of implementing any changes to the Services following a Specific Change in Law (a "**Regulatory Change**"), or to apply any variations to the Charges in respect of a Regulatory Change, unless:

- 9.3.1 such changes are agreed in accordance with Clause 38 (*Change in Law*) (as applicable) of this Consolidated Contract and this Paragraph 9;
  - 9.3.2 the Regulatory Change is not of a general legislative nature that is likely to apply to the majority of the Contractor's other customers; and
  - 9.3.3 the Regulatory Change necessitates a material change to the Services.
- 9.4 If the Contractor is entitled to charge the Customer Authority for the costs of implementing any changes to the Services following a Regulatory Change, or to vary the Charges following a Regulatory Change, in each case in accordance with Paragraph 9.3 above, then the Contractor shall issue a Contract Change Request for the same and the Parties shall comply with the Contract Change Procedure in respect of the proposed Contract Change.
- 9.5 To the extent that a variation to the Charges (as well as to all estimates and firm quotes for the same) that are to be made as a result of a Contract Change, including in relation to the introduction of a new Service or (subject to Paragraph 9.3 above) following a Regulatory Change, is already catered for by the provisions of this Consolidated Contract (including under Clause 42.3 and Clause 49 (*Payments Made on Termination*) of this Consolidated Contract), the Charges to be made in connection with such Contract Change shall be calculated and applied in accordance with such provisions. To the extent that such variation is not already catered for by the provisions of this Consolidated Contract, any such variation to the Charges shall be made in accordance with the following requirements and principles:
- 9.5.1 the costs of implementing the Contract Change shall be no greater than the direct, reasonable and verifiable costs of implementing that Contract Change;
  - 9.5.2 if the Contract Change is carried out for other customers of the Contractor (or if other customers of the Contractor benefit from the Contract Change), then the Customer Authority shall only bear an equitable proportion of the Contractor's cost;
  - 9.5.3 any increase in the Charges must be no greater than the change in the direct, reasonable and verifiable costs of providing the Services following the Contract Change;
  - 9.5.4 if the Contract Change will result in a decrease in the cost of providing the Services or any other financial benefit to the Contractor, the Charges shall be reduced by an equitable amount and the Financial Model shall be updated accordingly;
  - 9.5.5 any variation must be fair and reasonable;
  - 9.5.6 any variation in the Charges (and any estimate or firm quote for such variation) shall, subject to Paragraph 9.5.7 below, be calculated on a Time and Materials Basis using the Service Unit Prices set out in the Rate Card;
  - 9.5.7 where the nature of the Contract Change is such that the cost of implementing it cannot be calculated in accordance with Paragraph 9.5.6 above, the variation in the Charges (and any estimate or firm quote for such variation) shall be calculated as follows:

$$\text{Variation in Charges} = \text{PTA} + \text{APTM} + \text{OAC} + \text{CCM}$$

where

“**PTA**” means the actual costs of the Pass Through Assets required for the implementation of the relevant Contract Change;

“**APTM**” means any margin or mark-up that the Contractor proposes to charge on the PTA, provided that the value of such margin and mark-up shall not exceed the Asset Pass Through Mark-up;

“**OAC**” means all Allowable Costs for the implementation of the relevant Contract Change (excluding the PTA); and

“**CCM**” means any margin or mark-up that the Contractor proposes to charge on the OAC, provided that the value of such margin and mark-up shall not exceed the Contract Change Margin; and

**9.5.8** at the Customer Authority’s sole discretion, the Contractor shall provide to the Customer Authority any further information that the Customer Authority requires to understand such variation, firm quote or estimate, including by displaying such costs using the Financial Model.

**9.6** Subject to Paragraph 9.7 below, the Contractor shall only be entitled to charge the Customer Authority for Charges related to a Contract Change once the Customer Authority has confirmed that such Contract Change has been completed (including by issuing all relevant Delivery Confirmations).

**9.7** In relation to Major Contract Changes only, the Contractor shall be entitled to charge the Customer Authority for Charges related to a Contract Change at date(s) and amount(s) agreed by the Parties, provided that such date(s) and amount(s) are detailed in the relevant CCN and accepted by the Customer Authority in accordance with Paragraph 9 (*Acceptance of CCN*) of Consolidated Schedule 16 (*Contract Change Procedure*).

## **10 CESSATION AND ORDER OF CAPABILITY CHARGE SERVICE ELEMENTS**

**10.1** Subject to Paragraph 10.5 below and unless otherwise agreed by the Parties in writing, such form of writing to refer to this Paragraph 10.1, the throughput of Units of Capability Charge Service Elements shown in Table 4 (*Core Capability Charge Service Elements*) below (the “**Core Capability Charge Service Elements**”) may not be ceased, unless the whole Service to which they relate is terminated in accordance with Clause 47 (*Termination Rights*) of this Consolidated Contract.

<b>Service Element Code</b>	<b>Service Element Description</b>	<b>Related Service</b>
USM20000A, USM20000B	Service Management Capability	All Services
USM20010A, USM20010B	Governance, reporting, meetings and management Capability	All Services
UFV20200A, UFV20200B	OFFICIAL Core Voice Capability	Fixed Voice Service
UFV20210A,	SECRET Core Voice Capability	Fixed Voice Service

Service Element Code	Service Element Description	Related Service
UFV20210B		
UFV20220A, UFV20220B	TOP SECRET Core Voice Capability	Fixed Voice Service
UOA20010A, UOA20010B	OFFICIAL Operator Assistance Capability	Operator Assistance Service
UOA20020A, UOA20020B	SECRET Operator Assistance Capability	Operator Assistance Service
UMB20000A, UMB20000B	Core Mobile Capability	Mobile Voice and Data Service
UEN20000A, UEN20000B	Core Encryption Capability	Encryption Service
UVC20010A, UVC20010B	OFFICIAL Bridging Capability (MCU)	Conferencing Service
UVC20030A, UVC20030B	SECRET Bridging Capability (MCU)	Conferencing Service
UVC20050A, UVC20050B	TOP SECRET Bridging Capability (MCU)	Conferencing Service

*Table 4 - Core Capability Charge Service Elements*

**10.2** The Customer Authority may cease all Capability Charge Service Elements that are not Core Capability Charge Service Elements at any time, provided that:

**10.2.1** such cessation does not take effect within the first twelve (12) months following the Effective Date; and

**10.2.2** unless a lesser notice period is agreed by the Parties, the Customer Authority provides at least six (6) months' prior written notice of such cessation to the Contractor (such notice being a "**Capability Cessation Notice**").

**10.3** Where a Capability Charge Service Element is ceased in accordance with Paragraph 10.2 above:

**10.3.1** the Contractor shall not be entitled to charge to the Customer Authority any Recurring Charges for such Capability Charge Service Element from the date on which the Capability Cessation Notice states that such cessation is to take effect; and

**10.3.2** no Termination Payments, cease payments or other charges shall be charged or invoiced to the Customer Authority in connection with such cessation (including pursuant to Consolidated Schedule 13 (*Payments on Termination*)). Such cessation shall not be a termination or Partial Termination for the purposes of this Consolidated Contract.

**10.4** The Contractor shall:

**10.4.1** subject to Paragraph 10.4.2 below, provide any Capability Charge Service Element within six (6) months of the Customer Authority making a Service Request for such Capability Charge Service Element (or such lesser period as agreed by the Parties); and

**10.4.2** in relation to any Capability Charge Service Element that is:

- (i) set out in the Service Evaluation Model; and
- (ii) set out in the timetable contained in the Implementation Plan for the Services to which it relates,

provide such Capability Charge Service Element in accordance with such timetable.

**10.5** Paragraphs 10.1 to 10.4 above shall not apply to the cease of Core Capability Charge Service Elements that have the letter “A” at the end of their unique Service Element Code within the Contractor’s Call-Off Service Catalogue, where such cease is undertaken in connection with, or results from, Implementation.

## **11 EXIT CHARGES**

**11.1** Save in respect of any provision of the Services during the Re-Procurement Period and the Exit Period, for which the Contractor shall continue to be remunerated in accordance with Paragraph 3 of this Consolidated Schedule only, if this Consolidated Contract is terminated in whole or in part by:

**11.1.1** the Customer Authority pursuant to:

- (i) Clause 47.3 (*Termination for Cause by the Customer Authority*) of this Consolidated Contract;
- (ii) Clause 47.12 (*Termination for Change of Ownership*) of this Consolidated Contract; or
- (iii) Clause 47.14 (*Termination on Financial Standing*) of this Consolidated Contract,

then the Contractor shall bear both Parties’ costs in carrying out the relevant Re-Procurement Assistance and the Exit Assistance;

**11.1.2** the Customer Authority pursuant to Clause 47.21 (*Termination for Continuing Force Majeure Event*) of this Consolidated Contract, then (subject to Paragraph 11.3 below) each Party shall bear their own costs in carrying out the relevant Re-Procurement Assistance and the Exit Assistance; or

**11.1.3** in all other cases then the Customer Authority (subject to Paragraph 11.3 below) shall bear both Parties’ costs in carrying out the relevant Re-Procurement Assistance and the Exit Assistance.

**11.2** Save in relation to the provision of the Services during the Re-Procurement Period and the Exit Period, the Contractor may charge for the Exit Assistance and the Re-Procurement Assistance on a Time and Materials Basis, using the Rate Card.

**11.3** Paragraph 11.1 above shall not entitle the Contractor to charge the Customer Authority for discharging its obligations in connection with the preparation, provision and updating of:

11.3.1 Re-Procurement Information;

11.3.2 Exit Management Information; or

11.3.3 Exit Management Plan(s).

**11.4** Where the Customer Authority terminates this Consolidated Contract in part (in accordance with Clause 47 (*Termination Rights*) of this Consolidated Contract), then the Parties shall use their best endeavours to agree an equitable reduction to the Service Charges for the Service Management.

**11.5** Each month during the Re-Procurement Period or Exit Period, the Contractor shall:

11.5.1 provide a summary of the Charges for Exit Assistance and Re-Procurement Assistance in that month and cumulatively, and an updated forecast of the total Charges for the Exit Period and Re-Procurement Period; and

11.5.2 provide a breakdown of the costs for Exit Assistance and Re-Procurement Assistance, using a cost summary template provided by the Customer Authority during or prior to the Exit Period and Re-Procurement Period to show such costs.

**11.6** The Contractor shall not invoice the Customer Authority for any costs under this Paragraph 11 until the end of:

11.6.1 the Exit Period, to the extent such costs relate to Exit Assistance; and

11.6.2 the Re-Procurement Period, to the extent such costs relate to Re-Procurement Assistance.

## **12 TERMINATION PAYMENTS**

The Contractor shall only be entitled to charge the Customer Authority for any Termination Payments calculated pursuant to Consolidated Schedule 13 (*Payments on Termination*) once the Contractor has satisfied its obligations under Paragraph 4.4 of Consolidated Schedule 13 (*Payments on Termination*) and (without prejudice to Clause 13.4 of this Consolidated Contract) the Customer Authority has been given a period of at least thirty (30) Working Days from the delivery of the relevant Termination Payments Calculation within which to carry out an initial verification of the accuracy of that Termination Payments Calculation.

## **PART B - INVOICING**

### **13 INDIRECT CUSTOMERS**

**13.1** Where the Customer Authority has instructed the Contractor to provide any of the Services for the benefit of an Indirect Customer, the Contractor shall, in any Service Measurement Period, invoice such Indirect Customer (and not the Customer Authority) directly for such proportion of the Service Charges as may be applicable to the Services provided to that Indirect Customer.

**13.2** The Contractor shall be responsible for notifying any Indirect Customer of any invoice raised in accordance with Paragraph 13.1 above, including to the extent that any payment in relation to such invoice remains outstanding.

- 13.3** The Contractor shall ensure that each invoice provided to an Indirect Customer contains the following information, to be agreed with the Customer Authority from time to time:
- 13.3.1** the date of the invoice;
  - 13.3.2** a unique invoice number;
  - 13.3.3** the Service Measurement Period to which the relevant Service Charge(s) relate;
  - 13.3.4** the reference number for this Consolidated Contract;
  - 13.3.5** the dates between which the Services subject of each of the Service Charges detailed on the invoice were performed;
  - 13.3.6** the methodology applied to calculate the Service Charges, including volumes for each Service Element consumed by the Indirect Customer within the Service Measurement Period;
  - 13.3.7** the total Service Charges gross and net of any applicable deductions and, separately;
  - 13.3.8** the Management Charge applicable to the Service Charges shown in the invoice, expressed as an invoice line item;
  - 13.3.9** a contact name, email address and telephone number of a responsible person or team in the Contractor's finance department in the event of administrative queries; and
  - 13.3.10** the banking details for payment to the Contractor via electronic transfer of funds (i.e. the name and address of the bank, sort code, account name and number).
- 13.4** The Contractor shall only be entitled to invoice an Indirect Customer for the Service Charges detailed in Paragraph 13.1 above once the Contractor has provided to the Customer Authority a Monthly Billing Summary detailing such Service Charges in accordance with Paragraph 14 below and the Customer Authority has uploaded its Payment Order for the Charges set out in that Monthly Billing Summary in accordance with Paragraph 16.1 below.

## **14 MONTHLY BILLING SUMMARIES**

- 14.1** The Contractor shall prepare and provide to the Customer Authority for Approval a Monthly Billing Summary within ten (10) Working Days after the end of each calendar month in the Term. Each Monthly Billing Summary shall provide information for the previous calendar month.
- 14.2** Without prejudice to Paragraph 14.1 above, the Contractor shall ensure that all Charges are detailed and provided to the Customer Authority in a Monthly Billing Summary within three (3) months of the Contractor being entitled to charge such Charges in accordance with Part A of this Consolidated Schedule.
- 14.3** Charges that are not reported within the time period set out at Paragraph 14.2 above shall be invalid and the Customer Authority shall have no liability in respect of such Charges and the Contractor irrevocably waives the right to payment of any such Charges.
- 14.4** Each Monthly Billing Summary shall be in the form as agreed by the Parties prior to the Effective Date and include the following information in separate tabs:

- 14.4.1 a summary which sets out the total Service Charges (indicating which Service Charges are apportioned to the Customer Authority, and which are apportioned to each Indirect Customer, as applicable), Milestone Payments, Charges for Contract Change and Asset Pass Through Charges and other monthly delivery data, respectively, with each total figure further sub-divided by TLB and UIN for the Relevant Month;
  - 14.4.2 details of all the Service Charges (including for all Service Elements) for the Relevant Month including all Service Charges for any Indirect Customers;
  - 14.4.3 details of the Management Charge for the Relevant Month, showing what (if any) proportion of that Management Charge applies to Service Charges for Indirect Customers;
  - 14.4.4 details of all the Milestone Payments for the Relevant Month;
  - 14.4.5 details of any Charges associated with a Contract Change Request for the Relevant Month;
  - 14.4.6 details of any Charges for the Pass Through Assets for the Relevant Month;
  - 14.4.7 a list of all the invoices raised by the Contractor for this Consolidated Contract, including the invoices' reference numbers, the dates on which the invoices were raised, payment status and whether the invoice relates to the Customer Authority or an Indirect Customer; and
  - 14.4.8 any other relevant information, including details of any other Charges (including Termination Payments) for the Relevant Month and any abatements (including Service Credits, any Excess Profit Amounts and Milestone Payment Reductions) that apply to that Relevant Month.
- 14.5 All Charges to be issued to an Indirect Customer shall be shown separately to Charges to be invoiced to the Customer Authority.
- 14.6 The Contractor shall email each Monthly Billing Summary to the Customer Authority to the e-mail address specified by the Customer Authority from time to time. The Monthly Billing Summary shall be in electronic *Microsoft Office Excel 2003* spread sheet format (or such other format that the Customer Authority may specify from time to time). If requested by the Customer Authority, the Contractor shall send a CD-ROM (or such other hardware device agreed with the Customer Authority) containing the Monthly Billing Summary to:
- GV2 IUS Delivery Team, Financial Controller  
Bldg 405  
Westwells Rd  
Corsham  
SN13 9NR
- 14.7 Upon the Customer Authority's request, the Contractor shall send a copy of the Monthly Billing Summary to such other person and at such place as the Customer Authority may notify to the Contractor in writing (including via email).
- 14.8 All amounts specified in the Monthly Billing Summaries shall be expressed in pounds sterling, unless otherwise specified by the Customer Authority.

## **15 SUPPORTING DOCUMENTATION**

- 15.1** The Contractor undertakes to provide promptly to the Customer Authority, at any time upon the Customer Authority's request during the Term (including after the provision of a Monthly Billing Summary or a Final Invoice issued under the P2P System) any Supporting Documentation reasonably required by the Customer Authority from time to time to substantiate the amount of Charges set out in a Monthly Billing Summary or Final Invoice, including information required to enable the Customer Authority to cross-charge internally or externally.
- 15.2** The address to which all invoices and Supporting Documentation shall be sent is as follows:

GV2 IUS Delivery Team, Financial Controller  
Bldg 405  
Westwells Rd  
Corsham  
SN13 9NR

## **16 CONTRACTOR INVOICES**

- 16.1** The Customer Authority shall upload the relevant Payment Order for undisputed Charges payable by the Customer Authority (and not an Indirect Customer) to the P2P System within ten (10) Working Days following receipt of the relevant Monthly Billing Summary, provided always that the relevant Monthly Billing Summary has been submitted by the Contractor in accordance with this Consolidated Schedule.
- 16.2** Promptly following receipt by the Contractor of a Payment Order and, in any event, within five (5) Working Days following the date that the Customer Authority uploads the relevant Payment Order onto the P2P System, the Contractor shall prepare and issue to the Customer Authority via the P2P System a final invoice for the total amount of Charges set out in the relevant Payment Order to enable the Customer Authority to instigate payment to the Contractor (the "**Final Invoice**").
- 16.3** The Contractor shall provide each Final Invoice to the Customer Authority in electronic format by uploading the Final Invoice onto the P2P System.
- 16.4** The Contractor shall ensure that each Final Invoice is in substantially the same form as the Monthly Billing Summary, such form to be agreed by the Parties prior to the Effective Date, and includes:
- 16.4.1** details of the Service Measurement Period to which the Final Invoice relates;
  - 16.4.2** details of the Payment Order to which the Final Invoice relates;
  - 16.4.3** the reference number for this Consolidated Contract;
  - 16.4.4** a unique invoice number that can be used to identify the relevant Final Invoice;
  - 16.4.5** the banking details for payment to the Contractor via electronic transfer of funds (i.e. the name and address of the bank, sort code, account name and number); and
  - 16.4.6** a contact name, email address and telephone number of a responsible person or team in the Contractor's finance department in the event of administrative queries.

## **17 PAYMENT TERMS**

- 17.1** Subject to Paragraph 17.2 below, the Customer Authority shall make payment to the Contractor within thirty (30) days of receipt of a valid and complete Final Invoice at its nominated address, as set out in Paragraph 15.2 above.
- 17.2** Payment of any amount set out in a Monthly Billing Summary and subsequently invoiced using the P2P System shall not be construed as acceptance by the Customer Authority of the performance of the Contractor's obligations under this Consolidated Contract nor as a waiver of its rights and remedies either under this Consolidated Contract or otherwise (including to dispute an invoice at a later date).
- 17.3** Where a Monthly Billing Summary does not conform to the Customer Authority's requirements set out in this Consolidated Schedule (including where it does not contain the information set out in Paragraph 14.4 of this Consolidated Schedule or is not in the form as agreed by the Parties prior to the Effective Date), the Customer Authority may reject and return the incomplete or incorrect Monthly Billing Summary to the Contractor. The Contractor shall promptly issue a replacement Monthly Billing Summary, which shall comply with this Consolidated Schedule.

## **18 CONTRACTOR DATA PAYMENT MANAGEMENT**

- 18.1** The Contractor shall ensure that throughout the Term its own billing and invoicing systems:
- 18.1.1** enable the Contractor to satisfy its obligations set out in this Consolidated Schedule; and
  - 18.1.2** integrate with the P2P System and any future ordering and billing systems used by the Customer Authority, provided that any change to the Contractor's billing and invoicing systems to integrate with any future ordering and billing system shall be implemented via the Contract Change Procedure.

**APPENDIX 1**  
**NOT USED**

## **APPENDIX 2**

### **CONTRACTOR'S CALL-OFF SERVICE CATALOGUE**



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## **APPENDIX 3 CHARGING TRIGGERS**

### **1 SERVICE MANAGEMENT**

**1.1** The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:

**1.1.1** the provision of Service Management (as described in Paragraph 4 (*Service Management Requirements*) of Consolidated Schedule 3 (*Service Requirements and Contractor Service Descriptions*)), but excluding:

- (i) the GOSCC Liaison;
- (ii) compliance with Consolidated Schedule 14 (*Performance Monitoring and Reporting*); and
- (iii) compliance with Consolidated Schedule 15 (*Governance*),

the “**Service Management Capability**”;

**1.1.2** the provision of additional Service Management to those Customer Authority Sites that have (in accordance with Paragraph 8 (*General*) of Schedule 4 (*Service Levels and Related Remedies*)) an Agreed Service Time of 00.00-24.00 hours, Monday to Sunday (inclusive), (the “**Service Management – twenty four (24) hours, seven (7) days a week Uplift**”);

**1.1.3** compliance with Consolidated Schedule 14 (*Performance Monitoring and Reporting*) and compliance with Consolidated Schedule 15 (*Governance*) (the “**Governance, reporting, meetings and management Capability**”); and

**1.1.4** the provision of the GOSCC Liaison (the “**GOSCC Liaison Capability**”),

once there is Delivery Confirmation that the provision of such Volume Charge Service Element or Capability Charge Service Element (as applicable) has commenced.

**1.2** Under no circumstances shall the exercise by the Customer Authority of its right to change the Agreed Service Time of one or more Customer Authority Sites under Paragraph 8.6 of Consolidated Schedule 4 (*Service Levels and Related Remedies*), constitute a termination of the Service Management Capability under Paragraph 10 of this Consolidated Schedule or otherwise.

### **2 FIXED VOICE SERVICE**

**2.1** The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:

**2.1.1** the Core Voice Capability, once there is Delivery Confirmation that such Core Voice Capability has commenced. The Customer Authority shall not incur any additional charges in connection with the origination and termination of calls from within the Closed Network;

**2.1.2** calls by End Users that originate within the Closed Network and terminate outside of the Closed Network, once the relevant calls have been placed and completed;

**2.1.3** the DCMC Capability, once there is Delivery Confirmation that the provision of such DCMC Capability has commenced;

- 2.1.4 the HMNB Clyde Emergency Alert Capability, once there is Delivery Confirmation that the provision of such HMNB Clyde Emergency Alert Capability has commenced;
- 2.1.5 the ACD Service, once there is Delivery Confirmation that such ACD Service has been delivered;
- 2.1.6 the Single Number Reach Capability, once there is Delivery Confirmation that the provision of such Single Number Reach Capability has commenced;
- 2.1.7 a Single Number Reach Account, once there is Delivery Confirmation that such Single Number Reach Account has been made Available to the specified End User, but provided always that no Service Charges in respect of Single Number Reach Accounts shall be incurred during any period during which the Single Number Reach Capability is not Available;
- 2.1.8 a Voice User Account, once there is Delivery Confirmation that such Voice User Account has been made Available to the specified End User;
- 2.1.9 a Voice Service Group, once there is Delivery Confirmation that such Voice Service Group has been established;
- 2.1.10 each Voicemail Service Account, once there is Delivery Confirmation that such Voicemail Service Account has been made Available to the relevant End User or Voice Service Group;
- 2.1.11 each Auto-attendant Number, once there is Delivery Confirmation that the Auto-attendant Service has been enabled for the relevant Auto-attendant Number;
- 2.1.12 the Audio Conferencing Capability, once there is Delivery Confirmation that the provision of such Audio Conferencing Capability has commenced;
- 2.1.13 an Audio Conferencing Account, once there is Delivery Confirmation that such account has been made Available to the relevant End User, but provided always that no Service Charges in respect of Audio Conferencing Accounts shall be incurred during any period in which the Audio Conferencing Capability is not Available;
- 2.1.14 the provision of the Fixed Voice Site Infrastructure Service to a particular Fixed Voice Customer Authority Site, once the Contractor has notified the Customer Authority and there is Delivery Confirmation that the Contractor has fulfilled the Fixed Voice Site Infrastructure Service in relation to the relevant Customer Authority Site;
- 2.1.15 each active Voice Port, including Voice Ports provided in accordance with the Telephony Berthing Service (together with the related End User Device), once there is Delivery Confirmation that such active Voice Port (together with related End User Device) has been made Available to the specified End User;
- 2.1.16 the Third Party Access Service, once there is Delivery Confirmation that the provision of such Third Party Access Service has commenced;
- 2.1.17 a Public Access Service, once there is Delivery Confirmation that the relevant Public Access Service has been successfully delivered to the specified End User (or other callers as appropriate); and

- 2.1.18 a Fixed Voice Service MAC, once there is Delivery Confirmation that all activities included in the relevant MAC have been performed.

### **3 CONFERENCING SERVICE**

**3.1** The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:

- 3.1.1 the Service Centre Capability, once there is Delivery Confirmation that such Service Centre Capability has commenced;
- 3.1.2 the Bridging Capability, once there is Delivery Confirmation that such Bridging Capability has commenced;
- 3.1.3 Conference Booking (*telephone*) in relation to a call received by the Service Centre for the purpose of making, cancelling or amending a Conference Event, or requesting that a Conference Event is recorded, but provided always that no Service Charges in respect of Conference Booking shall be incurred during any period during which both, all or any of the methods of conference booking required pursuant to Paragraph 6.2.3 (*Conference Booking*) of Consolidated Schedule 3 (*Service Requirements and Contractor Service Descriptions*) are not Available;
- 3.1.4 Conference Management in relation to a booked Conference Event that either takes place or has not been cancelled within twenty four (24) hours of the booked start time for such Conference Event;
- 3.1.5 each Third Party Terminal Test in accordance with Paragraph 6.2.5 of Consolidated Schedule 3 (*Service Requirements and Contractor Service Descriptions*), once the Service Centre has confirmed to the Customer Authority that a successful test call was made by the Service Centre to the relevant third party and there is Delivery Confirmation of the same to the Contractor;
- 3.1.6 Conference Training, once such training has been delivered and completed in respect of all relevant End Users;
- 3.1.7 a Conference Terminal (excluding screen), a Deployed Conference Terminal (including screen), a Tactical Conference Terminal (including screen) or a new Conference Screen as follows:
  - (i) where such Conference Terminal or new Conference Screen is for the Mobile Conference Subscriber Domain, once there is Delivery Confirmation that:
    - (a) the Contractor has delivered such Conference Terminal or Conference Screen (as appropriate) and has provided the Customer Authority with installation familiarisation training in accordance with Paragraph 6.4.6 of Consolidated Schedule 3 (*Service Requirements and Contractor Service Descriptions*); and
    - (b) the Customer Authority has made a successful test call to the Service Centre, using such Conference Terminal or Conference Screen (as appropriate) at a location within the UK;
  - (ii) where such Conference Terminal or Conference Screen (as appropriate) is for any Conference Subscriber Domain other than the Mobile Conference Subscriber Domain, once there is Delivery Confirmation that such

Conference Terminal or Conference Screen (as appropriate) has been installed and commissioned, and has been used to make a successful test call to the Service Centre; and

- 3.1.8 a Conferencing Service MAC, once there is Delivery Confirmation that all activities included in the relevant MAC have been performed.

#### **4 OPERATOR ASSISTANCE SERVICE**

- 4.1 The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:

- 4.1.1 the Operator Assistance Capability, once there is Delivery Confirmation that the provision of such Operator Assistance Capability has commenced;
- 4.1.2 a Call Reception Call, once such Call Reception Call has been successfully interconnected to the relevant End User in accordance with the caller's request. The Contractor will only be able to charge for a Call Reception Call when the Call Reception Service is Available;
- 4.1.3 a Directory Enquiry Call handled by the Directory Enquiry Service for the purpose of supplying information on the Directory Enquiry Database in line with the caller's request. An End User or other caller may make any number of requests for information from the Directory Enquiry Database during a Directory Enquiry Call, without there being an extra charge to the Customer Authority for that Directory Enquiry Call. The Contractor will only be able to charge for a Directory Enquiry Call when the Directory Enquiry Service is Available; and
- 4.1.4 the Emergency Call Handling Capability, once there is Delivery Confirmation that the provision of such Emergency Call Handling Capability has commenced.

#### **5 BOUNDARY PROTECTION SERVICE**

- 5.1 The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:

- 5.1.1 each Voice Gateway and Video Gateway, once there is Delivery Confirmation that such Voice Gateway and Video Gateway have been successfully delivered; and
- 5.1.2 a Boundary Protection Service MAC, once there is Delivery Confirmation that all activities included in the relevant MAC have been performed.

#### **6 MOBILE VOICE AND DATA SERVICE**

- 6.1 The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:

- 6.1.1 the Core Mobile Capability, once there is Delivery Confirmation that the provision of such Core Mobile Capability has commenced;
- 6.1.2 OFFICIAL Mobile Data Interface Capability, once there is Delivery Confirmation that the provision of such OFFICIAL Mobile Data Interface Capability has commenced;
- 6.1.3 OFFICIAL Mobile Voice Capability, once there is Delivery Confirmation that the provision of such OFFICIAL Mobile Voice Capability has commenced;

- 6.1.4 the Mobile Tariff Monitoring Capability, once there is Delivery Confirmation that the provision of such Mobile Tariff Monitoring Capability has commenced;
- 6.1.5 each Temporary Enhancement, once there is Delivery Confirmation that such Temporary Enhancement has been successfully delivered. The Contractor will only be able to raise Charges for a Temporary Enhancement during the period that both the relevant Temporary Enhancement is deployed and the Core Mobile Capability is Available;
- 6.1.6 a Mobile Device or Mobile Device Accessory, once there is Delivery Confirmation that the relevant Mobile Device or Mobile Device Accessory (as appropriate) has been successfully delivered;
- 6.1.7 a Mobile Voice Tariff (Pay Per Use), Mobile Voice Tariff (Inclusive), Mobile Data Tariff (Pay Per Use) or Mobile Data Tariff (Inclusive) assigned to a specified End User as provided as part of the Mobile Tariff Service, once the relevant SIM card to which the Mobile Voice Tariff or Mobile Data Tariff (as appropriate) relates has been activated, but provided always that no Service Charges in respect of a mobile voice tariff or mobile data tariff shall be incurred during any period during which the Core Mobile Capability is not Available to the relevant End User. All mobile voice call and data charges that are not covered by an End User's tariff must in any event be reported and charged against the relevant "Above Inclusive Consumption" Service Element Code shown in the Contractor's Call-Off Service Catalogue for the relevant mobile tariff;
- 6.1.8 a Short-Term Hire, only for the duration of the period of time that the Customer Authority has stated that it will require the Short-Term Hire, but only once a relevant Mobile Device and related SIM card and Mobile Voice Tariff or Mobile Data Tariff are activated and Available for use by the End User; and
- 6.1.9 a Mobile Voice and Data Service MAC, once there is Delivery Confirmation that all activities included in the relevant MAC have been performed.

## **7 ENCRYPTION SERVICE**

- 7.1 The Contractor shall only be entitled to charge the Customer Authority for Charges relating to:
  - 7.1.1 the Core Encryption Capability, once there is Delivery Confirmation that such Core Encryption Capability has commenced; and
  - 7.1.2 an Encryption Service MAC, once there is Delivery Confirmation that all activities included in the relevant MAC have been performed.

## **8 PROFESSIONAL SERVICES**

- 8.1 The Contractor shall only be entitled to charge the Customer Authority for Charges relating to a Professional Service, once there is Delivery Confirmation that:
  - 8.1.1 such Professional Service has been completed and has delivered the outcome intended by the Customer Authority; and
  - 8.1.2 the Contractor has provided to the Customer Authority a time-sheet showing a suitable record of days worked and the resources expended in the delivery of such Professional Service.

## APPENDIX 4

### EXAMPLE SERVICE CHARGES CALCULATIONS

An example Monthly Service Charge calculation for the Fixed Voice Service is as follows:

The Service Management period is March 20X1. Two Volume Charges (UFV10200B and UFV10210B), one Capability Charge (UFV20200B) and one MAC (UFV30300B) are performed by the Contractor during the Service Measurement Period. There are no Service Failures during the Service Measurement Period. The Service Measurement Period is during the post Migration period for the purposes of the Service Charges in the Contractor's Call-Off Service Catalogue. The assumed Contractor's Call-Off Service Catalogue information for this example is as follows:

#### Volume Charges

Service Element Code	Non-Recurring	Recurring
	£	£ per month
UFV10200B	80.00	15.00
UFV10210B	60.00	10.00

#### Capability Charges

Service Element Code	Non-Recurring	Recurring
	£	£ per month
UFV20200B		5,000.00

#### Moves, Amendments and Ceases

Service Element Code	Non-Recurring
	£
UFV30300B	50.00

Volume Charge UFV10210B has been ordered prior to the present Service Measurement Period and the Customer Authority has received Delivery Confirmation within the Provisioning Service Level for this Service that such Service Element commenced from 14/03/20X1. Volume Charge UFV10200B has ceased from 14/03/20X1 in accordance with Paragraph 3.2.14 above following MAC UFV30300B having been completed on the same date in accordance with the Customer Authority's instructions. The service associated with Capability Charge UFV20200B has been delivered during the Service Measurement Period March 20X1.

In this example the Monthly Service Charge for the Fixed Voice Service,  $MSC_{FV}$ , for the Service Measurement Period March 20X1 is calculated in accordance with Paragraph 3.2.6 of this Consolidated Schedule as follows:

$$MSC_N = \text{Volume Charges}_R + \text{Volume Charges}_{NR} \\ + \text{Capability Charges}_R + \text{MACCharges}_{NR}$$

$$MSC_{FV} = (£5.81 + £6.77) + £60.00 \\ + £5,000.00 + £50.00$$

$$MSC_{FV} = £5,122.58$$

**Where:**

**Non-Recurring Volume Charge**

UFV10210B commenced during the Service Measurement Period and so the Contractor is entitled to invoice for the Non-Recurring Charge as follows:

$$UFV10210B = £60.00$$

**Recurring Volume Charges**

UFV10210B will incur a Recurring Charge ten pounds sterling (£10.00) which is adjusted by the Order Days Ratio as the Service Element commenced from 14/03/20X1 which generates a ratio of eighteen (18) days (the number of days to the end of the Service Measurement Period) divided by thirty one (31) days (the number of days in the calendar month). The Contractor is therefore entitled to invoice for the Recurring Charge as follows:

$$UFV10210B = (18\text{days} / 31\text{days}) * £10.00 = £5.81$$

UFV10200B will incur a Recurring Charge fifteen pounds sterling (£15.00) which is adjusted by the Cease Days Ratio as the Service Element ceased on 14/03/20X1 which generates a ratio of fourteen (14) days (the number of days to the date the cease was completed) divided by thirty one (31) days (the number of days in the calendar month). The Contractor is therefore entitled to invoice for the Recurring Charge as follows:

$$UFV10200B = (14\text{days} / 31\text{days}) * £15.00 = £6.77$$

**Recurring Capability Charge**

UFV20200B was delivered throughout the Service Measurement Period and so the Contractor is entitled to invoice for the Recurring Charge as follows:

$$UFV20200B = £5,000.00$$

**Non-Recurring MAC Charge**

UFV30300B was completed within the Provisioning Service Level for this MAC during the Service Measurement Period and so the Contractor is entitled to invoice for the whole Non-Recurring Charge as follows:

$$UFV30300B = £50.00$$

