



**Crown
Commercial
Service**

**EU Exit: Advice and support for the assurance
of financial settlement under the Withdrawal
Agreement**

**To
HM Treasury**

**From
PricewaterhouseCoopers LLP**

Contract Reference: CCCC20B84



Crown
Commercial
Service

Call Off Order Form for Management Consultancy Services

FRAMEWORK SCHEDULE 4

CALL OFF ORDER FORM AND CALL OFF TERMS

PART 1 – CALL OFF ORDER FORM

SECTION A

This Call Off Order Form is issued in accordance with the provisions of the Framework Agreement for the provision of **RM3745** dated 4th September 2017.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract.

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Call Off Order Form and the Call Off Terms.

Order Number	To be confirmed
From	HM Treasury ("CUSTOMER")
To	PricewaterhouseCoopers LLP ("SUPPLIER")

SECTION B

CALL OFF CONTRACT PERIOD

1.1.	Commencement Date: 24th December 2020
1.2.	Expiry Date: End date of Initial Period 23rd December 2022 There is no extension option for this contract.

SERVICES

2.1.	Services required: In Annex A – Statement of Requirements
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PROJECT PLAN

3.1.	Project Plan: As outlined in the Key Milestones at section 6 in Annex A – Statement of Requirements.
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CONTRACT PERFORMANCE

4.1.	Standards: In Clause 11 of the Call Off Terms
4.2	Service Levels/Service Credits: Not applied
4.3	Critical Service Level Failure: Not applied
4.4	Performance Monitoring: As outlined in the Service Levels and Performance at section 12 of the Annex A – Statement of Requirements.
4.5	Period for providing Rectification Plan: In Clause 39.2.1(a) of the Call Off Terms

PERSONNEL

5.1	Key Personnel: HMT REDACTED PwC REDACTED
5.2	Relevant Convictions: In Clause 28.2 of the Call Off Terms

PAYMENT

6.1	Call Off Contract Charges (including any applicable discount(s), but excluding VAT): The maximum value of the contract shall be up to £1,200,000.00 (ex VAT). REDACTED
6.2	Payment terms/profile (including method of payment e.g. Government Procurement Card (GPC) or BACS): Payment will be made monthly in arrears based on the agreed fees Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables. Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
6.3	Reimbursable Expenses: Permitted

	Travel outside of the base location will be reimbursed in line with the HM Treasury Travel & Subsistence policy.
6.4	Customer billing address (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Invoices should be submitted to: European Finances, International Group, HM Treasury, 1 Horse Guards Road, Westminster, London, SW1A 2HQ. Email: REDACTED
6.5	Call Off Contract Charges fixed for (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): The duration of the contract term
6.6	Supplier periodic assessment of Call Off Contract Charges (paragraph 9.2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on: Not applicable
6.7	Supplier request for increase in the Call Off Contract Charges (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Not Permitted

LIABILITY AND INSURANCE

7.1	Estimated Year 1 Call Off Contract Charges: The sum of £650,000.00 (ex VAT)
7.2	Supplier's limitation of Liability (Clause 37.2.1 of the Call Off Terms); In Clause 37.2.1 of the Call Off Terms
7.3	Insurance (Clause 38.3 of the Call Off Terms): The Supplier's standard business insurance shall apply.

TERMINATION AND EXIT

8.1	Termination on material Default (Clause 42.2.1(c) of the Call Off Terms): In Clause 42.2.1(c) of the Call Off Terms
8.2	Termination without cause notice period (Clause 42.7.1 of the Call Off Terms): In Clause 42.7.1 of the Call Off Terms
8.3	Undisputed Sums Limit: In Clause 43.1.1 of the Call Off Terms
8.4	Exit Management: In Call Off Schedule 9 (Exit Management)

SUPPLIER INFORMATION

9.1	Supplier's inspection of Sites, Customer Property and Customer Assets: Not applicable
9.2	Commercially Sensitive Information: The Supplier's proposal, rates and pricing shall be deemed as commercially sensitive information, along with the following information.

OTHER CALL OFF REQUIREMENTS

10.1	Recitals (in preamble to the Call Off Terms): Recitals B to E Recital C - date of issue of the Statement of Requirements: 9th December 2020 Recital D - date of receipt of Call Off Tender: 15th December 2020
10.2	Call Off Guarantee (Clause 4 of the Call Off Terms): Not required
10.3	Security: Short form security requirements
10.4	ICT Policy: Not applied
10.5	Testing: Not applied
10.6	Business Continuity & Disaster Recovery: In Call Off Schedule 8 (Business Continuity and Disaster Recovery) Disaster Period: For the purpose of the definition of "Disaster" in Call Off Schedule 1 (Definitions) the "Disaster Period" shall be defined if required during the contract term.
10.7	Protection of Customer Data: In Clause 35.2.3 of the Call Off Terms
10.8	Notices (Clause 56.6 of the Call Off Terms): Customer's postal address and email address: HM Treasury 1 Horseguards Road London Greater London SW1A 2HQ England Email: REDACTED

	<p>Supplier's postal address and email address:</p> <p>PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH</p> <p>Email: REDACTED</p>				
10.9	<p>Transparency Reports</p> <p>Not applicable</p>				
10.10	<p>Alternative and/or additional provisions (including any Alternative and/or Additional Clauses under Call Off Schedule 14 and if required, any Customer alternative pricing mechanism):</p> <p>Not applicable</p>				
10.11	<p>Call Off Tender:</p> <p>REDACTED</p>				
10.12	<p>Publicity and Branding:</p> <p>In Clause 36.3.2 of the Call Off Terms</p>				
10.13	<p>Staff Transfer</p> <p>Not applicable</p>				
10.14	<p>Processing Data</p> <p>Call Off Schedule 17</p>				
	<ol style="list-style-type: none"> The contact details of the Customer Data Protection Officer is: REDACTED The contact details of the Suppliers Data Protection Officer is: REDACTED The Processor shall comply with any further written instructions with respect to processing by the Controller. Any such further instructions shall be incorporated into this Schedule. <table border="1" data-bbox="309 1742 1394 1957"> <tr> <td>Contract Reference:</td><td>CCCC20B84</td></tr> <tr> <td>Date:</td><td>23.12.2020</td></tr> </table>	Contract Reference:	CCCC20B84	Date:	23.12.2020
Contract Reference:	CCCC20B84				
Date:	23.12.2020				

	Description Of Authorised Processing	Details
	Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Legislation, the Customer is the Data Controller and the Supplier is the Data Processor under this Framework Agreement.
	Use of Personal Data	Managing the obligations under the Call Off Contract Agreement, including exit management, and other associated activities.
	Duration of the processing	For the duration of the Framework Award plus 7 years.
	Nature and purposes of the processing	
	Type of Personal Data	Workplace address Job Title Compensation Tenure Information Qualifications or certifications Nationality Job title or role Start date End date & reason for termination Contract type

		Compensation data
	Categories of Data Subject	
10.16	MOD DEFCONs and DEFFORM	
	Not applicable	

FORMATION OF CALL OFF CONTRACT

BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.

The Parties hereby acknowledge and agree that they have read the Call Off Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.

In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.

For and on behalf of the Supplier:

Name and Title	REDACTED
Signature	REDACTED
Date	23.12.2020

For and on behalf of the Customer:

Name and Title	REDACTED
Signature	REDACTED
Date	23.12.2020

Annex A – Statement of Requirements

1. PURPOSE

- 1.1 Specialist professional services are required to provide effective assurance arrangements covering payments from the UK to the EU and receipts from the EU to the UK following the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (henceforth “the Withdrawal Agreement”).

2. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 2.1 The UK left the European Union on 31 January 2020. The UK and European Parliaments have both ratified the Withdrawal Agreement (WA), and the financial obligations are now binding on both sides. The Withdrawal Agreement establishes the terms of the UK’s orderly withdrawal from the EU.
- 2.2 The Withdrawal Agreement includes several financial provisions, known as the “financial settlement”. The financial settlement represents a negotiated settlement of the UK’s financial commitments to the EU and the EU’s financial commitments to the UK, which result from the UK’s participation in the EU budget, and other commitments relating to our EU membership.
- 2.3 Part 5 of the Withdrawal Agreement relates to the financial provisions covering payments and receipts between the EU and the UK. The WA includes an article allowing the UK access to ‘any information that may reasonably be requested’ and ‘adequate assistance’ to exercise its rights and discharge its obligations. The WA calls for appropriate administrative arrangements to implement this provision. Beyond this, detailed audit arrangements for individual articles were not set out in the WA and these need to be negotiated.

2.4

3. DEFINITIONS

Expression or Acronym	Definition
Withdrawal Agreement (WA)	The Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community
Financial settlement	The financial provisions agreed in Part Five of the Withdrawal Agreement
The Customer	Her Majesty’s Treasury, who are the contracting authority

HMT	Her Majesty's Treasury, who are the contracting authority
The UK	The Government of the United Kingdom of Great Britain and Northern Ireland.
The Supplier	The supplier of the advisory contract, " <i>EU Exit: Advice and support for the assurance of financial settlement under the Withdrawal Agreement</i> "
The Withdrawal Agreement Act (WAA)	The European Union (Withdrawal Agreement) Act 2020
WAJC	Withdrawal Agreement Joint Committee, provided for in Annex VIII of the Withdrawal Agreement
SCFP	Specialised Committee for Financial Provisions, provided for in Annex VIII of the Withdrawal Agreement
The Accounting Officer (AO)	The Treasury Principal Accounting Officer
Article XX	Refers to the Article of that name in the Withdrawal Agreement
The EU	Refers to the institutions of the European Union, including the European Commission, European Council and European Parliament. As appropriate, the EU may request that the Customer and the Supplier engage with the EU's entrusted entities. These include but are not limited to the European Investment Bank (EIB) and the European Investment Fund (EIF).
End of Year reports – March 31 each year from 2021	The EU has committed to communicate to the UK various financial data pertaining to the position of both the RAL (Article 140) and contingent liabilities (Articles 143 and 144), as of 31 December the preceding year. This data shall be received by the UK by 31 March of each year, starting from 2021.
Pensions reporting data – March 31 each year from 2022	The EU has committed to communicate to the UK various financial data pertaining to the position of the UK's liabilities under Article 142 (pensions) as of 31 December the preceding year. This data shall be received by the UK by 31 March of each year, starting in 2022. That document may be updated by 30 September of the same year to reflect the definitive figures for the preceding year.
Core team	The core team will be the group of staff employed by the Supplier who will consistently provide support over the lifetime of the contract.
SME	Subject Matter Experts – individuals employed by the Supplier who may be outside of the core team, but can be engaged to provide specific skills, experience or knowledge as appropriate.

4. SCOPE OF REQUIREMENT

- 4.1 **INCLUDED IN SCOPE:** Advisory services for assurance arrangements over the financial settlement as set out in the Withdrawal Agreement.
- 4.2 The Supplier shall provide advisory services for the areas outlined in 4.7.1 to 4.7.11, to facilitate agreement with the EU of appropriate assurance measures. The Supplier will assist the Customer to engage effectively with the EU regarding the financial provisions of the Withdrawal Agreement, with the goal of agreeing accounting measures that bring the UK a higher degree of comfort over the implementation of the financial settlement.
- 4.3 The Supplier will build on and extend the existing work that has been undertaken by HMT and professional advisers over the course of 2020 to engage with the EU and its entrusted entities regarding their plans to deliver assurance to the UK, to understand EU reporting and audit processes and to gain further comfort for the UK. This body of existing work will be further developed and improved by the Supplier over the course of the contract.
- 4.4 In the following areas, the Supplier will seek to identify areas of potential risk to the UK, and advise on practicable and negotiable solutions which will mitigate these risks. The Supplier will ensure advice considers best practice alongside the specific context of the Withdrawal Agreement, and seek the best outcome for the UK at all times.
- 4.5 The advice should result in a comprehensive package of effective assurance arrangements which ensure the UK pays and receives the correct amounts under the Withdrawal Agreement, and that these assurance arrangements are robust to domestic scrutiny.
- 4.6 **The Supplier will identify areas of accounting risk and existing comfort, and potential risk mitigations. The Supplier will ensure that assurance arrangements are practicable, negotiable and benchmarked wherever possible against accounting best practice.**
- 4.7 This will be delivered by the Supplier's work on the following
 - 4.7.1 Delivering advice on gaining assurance over Article 143 and 144 (contingent liabilities) of the withdrawal agreement to provide comfort to the UK
 - 4.7.2 Delivering advice on gaining assurance over Article 142 (pensions) of the withdrawal agreement to provide comfort to the UK
 - 4.7.3 Delivering advice on gaining assurance over Article 140 (RAL) of the withdrawal agreement to provide comfort to the UK

- 4.7.4 Delivering advice on gaining assurance over Article 150 (EIB contingent liability) of the withdrawal agreement to provide comfort to the UK
 - 4.7.5 Delivering advice on gaining assurance on other aspects of the withdrawal agreement articles when appropriate, especially articles 136,141, 147 and 148, to provide comfort to the UK
 - 4.7.6 Working to support the Customer to gain comfort over the assurance arrangements relating to the End of Year reports which are expected from the EU and its entrusted entities on 31 March 2021 and beyond into 2022 as further reporting on the financial settlement is received as per the Withdrawal Agreement. The Supplier will seek solutions to provide comfort to the UK.
 - 4.7.7 Working to support continuous engagement between the Customer and third parties (including the European Commission and its entrusted entities) regarding the assurance and accounting treatment of the financial settlement
 - 4.7.8 Providing project management to ensure all deadlines are met and work is progressed at the appropriate pace.
 - 4.7.9 Attending engagements with the EU, both working-level and under the governance structure of the WAJC/SCFP and its entrusted entities as appropriate.
 - 4.7.10 Attending engagements with other government stakeholders as appropriate, for instance working-level discussions with the Government Actuarial Department (GAD).
 - 4.7.11 Meeting with senior HMT officials to advise them as appropriate.
- 4.8 The Customer will:**
- 4.8.1 Build on and extend the existing work that has been undertaken by HMT and professional advisers over the course of 2020 to engage with the EU and its entrusted entities regarding their plans to deliver assurance to the UK, to understand EU accounting processes and to gain further comfort for the UK.
 - 4.8.2 Be responsible for organising and leading any interactions with the EU and its entrusted entities.
 - 4.8.3 Seek its own legal advice.
 - 4.8.4 Identify additional deadlines and milestones as necessary, and communicate these to the Supplier.

4.9 EXCLUDED FROM SCOPE:

4.9.1 The Supplier will not provide legal advice under this contract.

4.9.2 The Supplier will not formally represent the Customer, or the UK, at any interaction with third parties, including engagements with the European Commission and its entrusted entities.

5. THE REQUIREMENT

REDACTED

6. KEY MILESTONES AND DELIVERABLES

REDACTED

6.1 Other deliverables that are identified over the course of the contract will be communicated and agreed between the Customer and the Supplier.

6.2 The following Key Contract Milestones shall apply

Milestone	Description	Delivery Date
Milestone 1	Kick Off Meeting: Meeting between the Supplier and the Customer at the beginning of the contract.	No later than 10 working days after contract award is made
Milestone 2	REDACTED	REDACTED
Milestone 3	REDACTED	REDACTED
Milestone 4	REDACTED	REDACTED
Milestone 5	REDACTED	REDACTED
Milestone 6	REDACTED	REDACTED
Milestone 7	REDACTED	REDACTED
Milestone 8	REDACTED	REDACTED

6.3 Other Milestones that are identified over the course of the contract will be communicated and agreed between the Customer to the Supplier.

7. MANAGEMENT INFORMATION/REPORTING

- 7.1 The Supplier will be required to provide monthly oral updates, in addition to meeting the milestones outlined above. The Supplier should be prepared to deliver their analysis to senior officials and accompany HMT officials during engagement with external stakeholders as requested in a format to be agreed by both parties in advance.
- 7.2 As part of these updates, information should include any developments that relate to any of the elements as specified within sections 5, 6 and 7 of this document.
- 7.3 Reports, both draft and final versions, shall be submitted by dates requested by the Customer.
- 7.4 In the event of poor performance through the failure to deliver to time and of appropriate quality, the Customer shall meet with the Supplier to understand the root causes of the issue. The Supplier shall reserve the right to formulate a Performance Improvement Plan with the supplier to rectify these issues if deemed necessary.

8. VOLUMES

- 8.1 The volume of work over the historic contract has varied month on month.

- 8.2 The Customer notes that volume may be higher in the months immediately preceding and following reporting and payment deadlines (set out in section 7). The Supplier will need to respond flexibly to periods of time throughout the contract where the workload increases and decreases.
- 8.3 The Supplier will provide additional hours on an ad hoc basis as required, and ensure sufficient resource is provided. Resourcing from the Supplier must always satisfy the capacity requirements of the contract, so not to jeopardize the quality of work-products.
- 8.4 The Supplier will provide a multi-disciplinary team range of specialisms and grades, and will adapt provision on a monthly basis to the specifics of the work being undertaken. This includes support from the core team and from Subject Matter Experts (SMEs) as appropriate.

9. CONTINUOUS IMPROVEMENT

- 9.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 9.2 The Supplier should present new ways of working to the Customer during monthly Contract review meetings.
- 9.3 Changes to the way in which the Services are to be delivered must be brought to the Customer's attention and agreed prior to any changes being implemented.

10. QUALITY

- 10.1 The Supplier will have all the necessary accounting, audit and actuarial accreditations and qualifications.
- 10.2 Work-products will be devised in compliance with all relevant accounting, audit or actuarial best practice and standards.
- 10.3 The Supplier will provide a core team to support ongoing work throughout the lifetime of the contract, but will provide Subject Matter Experts (SMEs) on an ad hoc basis as appropriate.
- 10.4 The Supplier will undertake rigorous quality assurance processes of its work-products delivered under this contract. As a matter of course, the Supplier will seek to provide review and oversight on deliverables and the underpinning thinking that supports them. Analysis and conclusions should be tested with SMEs where necessary.

11. STAFF AND CUSTOMER SERVICE

- 11.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 11.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.

- 11.3 The Supplier shall ensure that staff understand the Customer's vision and objectives and will provide excellent customer service to the Customer throughout the duration of the Contract.

12. SERVICE LEVELS AND PERFORMANCE

- 12.1 The Customer will measure the quality of the Supplier's delivery by:

12.1.1 assessing whether the supplier meets the deadlines agreed for the delivery of work-products;

12.1.2 assessing whether the work-products are fit for purpose, and providing relevant feedback at the various milestones; and,

12.1.3 the suitability of the advice provided.

- 12.2 Quality of service level and performance will be assessed and measured at the monthly Contract review meetings.

- 12.3 The Customer will track contract spend against the budget profile, and will regularly confirm run rate with the Supplier. The Supplier should also raise with the Customer if contract spend is materially exceeding the budget profile.

KPI/SLA	Service Area	KPI/SLA description	Target
1	Meeting deadlines agreed for the delivery of work-products	The Supplier will ensure that all deadlines which have been formally issued through written communication from the Customer are met on time.	100%
2	Work-products are fit for purpose, and providing relevant feedback at the various milestones	The Supplier will ensure that all necessary documentation and other relevant preparation is completed in advance of engagement with third parties (the European Commission and its entrusted entities) and milestones. This includes high quality preparation of work-products for the "Key Milestones and Deliverables" set out in section 7.	100%
3	Suitability of advice	The Supplier will ensure that the advice they provide to the Customer reflects the Supplier's specialist knowledge of the subject area, as set out in section 6 "The Requirement". Advice provided by the Supplier will be tailored to the specific nature and context of assurance arrangements for the financial settlement under the Withdrawal Agreement.	100%

13. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 13.1 Potential Providers are to note that all material for this procurement and the subsequent Contract are not to be shared with any third parties without first obtaining permission in writing to do so from the Customer.
- 13.2 The appointed Supplier will acknowledge and protect any of the Customer's sensitive or confidential information that its employees have access to during the contract period. Where any of the Customer's sensitive or Confidential information is provided to, or accessed by, the Supplier's employees in electronic form, the Supplier will also ensure that their IT systems are sufficiently robust and secure to prevent sensitive or confidential information from being accessed by unauthorised persons or being made accessible in the public domain (IT security measures utilised must include, but not be limited to, up to date anti-virus software, data-at-rest encryption on end user devices and firewalls).
- 13.3 Should it be necessary for the Customer and Supplier to share any of the Customer's sensitive or confidential information electronically, the Supplier and the Customer will jointly ensure that any sensitive or confidential data/information shared electronically will be encrypted using methods to be agreed with the Customer.
- 13.4 The Supplier will ensure that, as a minimum, any of their employees who are authorised by the Customer to have access to sensitive or confidential Customer data/information will have been subject to recruitment checks which are at least equivalent to the Government Baseline Personnel Security Standard.
- 13.5 The Supplier will ensure that their employees who receive any sensitive or confidential data/information from the Customer will not hold copies of the data/information longer than is necessary (i.e. will delete their copies as soon as they no longer need it), and that any Customer data/information held by their employees will be permanently deleted/erased at the end of the contract)

14. CONTRACT MANAGEMENT

- 14.1 Attendance at Contract Review meetings shall be at the Supplier's own expense.

15. LOCATION

- 15.1 The Supplier is required to provide services remotely where possible. Should face to face meetings be required, these will take place at HM Treasury, 1 Horse Guards Road, Westminster, London, SW1A 2HQ. This shall be considered as the base location.
- 15.2 Travel outside of the base location will be reimbursed in line with the HM Treasury Travel & Subsistence policy.

Annex B – Call Off Tender

REDACTED