

OFFICIAL - SENSITIVE



**AUTHORITY: The Secretary of State for the Home
Department**

**Refugee Employability Programme
Monitoring and Evaluation**

Contract Reference: C24615

DPS Order Schedule 5 (Pricing Details)

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1. Purpose

This paper summarises the Finance Pricing Model that is being proposed for the procurement for the REP Monitoring and Evaluation Partner.

This paper also highlights the key risks that the Finance Pricing Model seeks to mitigate, and / or, ensure clear allocation of risk

2. Proposed Finance Pricing Model

Following consideration of the detailed Statement of Requirements and the risks and other considerations related to this procurement, the following Finance Pricing Model is proposed for the REP Monitoring and Evaluation Partner.

The information below sets out the Financial Pricing Model pricing solution and other pricing considerations:

Implementation (Mobilisation):

It is proposed that the contract is priced as fixed price milestone charges. Under this approach, Bidders will be able set out the costs and mark-up to achieve Authority requirements within the implementation period.

The fixed price milestone charges are a simple (and easy to understand) pricing mechanism, that facilitate the provision of regular cashflow for the Supplier. It will also incentivise them to achieve milestone deliverable and will encourage supplier efficiency, as they benefit from efficiency savings, whilst providing budget certainty to the Authority.

The original pricing schedule and rate card can be found here:



The fixed priced milestone charges are summarised in the table below.



3. Risk Allocation

The Pricing Solutions paper provides detailed analysis of all constraints, considerations and risks identified during market engagement, delivery model and should cost modelling, that has been considered in developing the above pricing solution.

The key risks that need to be highlighted are:

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Inflation:

Inflation changes are not built into this contract.

Implementation (Mobilisation):

The risk of implementation delays rests with the bidder, as it will be priced as fixed price milestones with SLAs.