



Defence
Infrastructure
Organisation

Call-Off Schedule 4A

Billable Works

Regional Accommodation Maintenance Services (RAMS)

REF: RM6089 LOT 2B

CALL-OFF SCHEDULE 4A

BILLABLE WORKS

1. INTRODUCTION

- 1.1 This schedule prescribes the procedure, calculations and rates to be used by the Buyer and Supplier when assessing the Charges for Billable Works.
- 1.2 Billable Works are created and managed in accordance with this Call-Off Schedule 4A (Billable Works) and Part 11 of Call-Off Schedule 28 (Specification).
- 1.3 Billable Works are separated into Value Bands as outlined in paragraph 3.1 of this Call Off Schedule 4A (Billable Works), the management of Billable Works is dependent on the Value Band into which the work falls.
- 1.4 Where outlined below, Billable Works will be instructed via a Work Order. Work Orders:
 - 1.4.1 Are written instructions by the Buyer to carry out Billable Works and other Deliverables that are not included within the Baseline Monthly Payment;
 - 1.4.2 Are not used to instruct for Billable Works within Value Band 1 (as defined in paragraph 3.6 of this Call Off Schedule 4A) unless a Firm Price quotation is requested by the Buyer;
 - 1.4.3 Shall include details of any interim or Milestone Payments and associated Deliverables that shall apply to the relevant Billable Works.
- 1.5 It is expected that good Supplier performance will mean that the Supplier is the Buyer's preferred provider of Billable Works, and it is intended that tasks below £100k will only exceptionally be contracted elsewhere; however:
 - 1.5.1 For the avoidance of doubt, nothing in this Call Off Schedule 4a shall give the Supplier exclusive rights over Billable Works.
 - 1.5.2 The Buyer shall not be required to order Billable Works from the Supplier and shall be entitled to order Billable Works from other suppliers.

2. BILLABLE WORKS

- 2.1 All Billable Works in Value Bands 2 & 3 shall be authorised in accordance with this Call-Off Schedule 4A (Billable Works).
- 2.2 Any Quote/invoice for Billable Works in Value Band 2a shall breakdown the Quotes as follows:
 - 2.2.1 Firm Prices utilising agreed Archetype Rates detailed in Annex A to Call Off Schedule 5 (Pricing);
 - 2.2.2 Firm Prices utilising M3 National Housing Federation (M3NHF) schedule of rates plus adjustments quoted by the Supplier and agreed prior to Contract Award as detailed in Annex A to Call Off Schedule 5 (Pricing);
 - 2.2.3 If not within the scope of the Archetype Rates or the M3NHF schedule of rates the Buyer and the Supplier will agree a Firm Price by reference to a minimum of 3 supply chain quotes obtained by the Supplier and considering best value for money;

CALL-OFF SCHEDULE 4A – BILLABLE WORKS

- 2.2.4 The Corporate Overhead and Profit percentages detailed in Part 11 of Annex A to Schedule 5 (Pricing) shall apply to quotes/invoices as described in paragraphs 2.2.1 and 2.2.3 but shall not apply to quotes/invoices described in paragraph 2.2.2 where overheads and profit are included within the individual schedule of rates.
- 2.3 The Buyer may issue instructions requiring an addition to, omission from, or other change in the Billable Works or requiring a change to how those Billable Works are undertaken including matters relating to access, Working Hours, the sequencing of any activities and other constraints on how the Billable Works are to be undertaken. Any instructions requiring a change to a Work Order will use the process for instructing a Change, as set out in Call-Off Schedule 15 (Contract Management),
- 2.4 The effect of any such instruction on the Charges shall be valued in accordance with the principles set out in this Call-Off Schedule 4A (Billable Works). Any instructions issued by the Buyer shall be valued on a fair and reasonable basis using, where relevant, rates and prices used in the accepted quotation for the Billable Works and any such valuation shall include any costs and/or expense reasonably incurred by the Supplier due to any disruption or delay caused to the progress of the Billable Works in complying with any such instruction.
- 2.5 The Supplier shall include, in the Charges for delivering the Services in accordance with Call-Off Schedule 5 (Pricing) the professional services required to achieve the Deliverables for the design phase of all Billable Works in Value Band 1 and Value Band 2. This shall include where required by the Buyer;
- 2.5.1 a Statement of Need (see Annex A);
- 2.5.2 a Rough Order of Cost and / or a Quotation;
- 2.5.3 feasibility studies, surveys and technical drawings, project schedules and project risk registers;
- 2.5.4 the management of a tendering process for Value Band 2 Billable Works above £100k; and
- 2.5.5 any other services required to deliver the Billable Works in order to procure the Buyers Approval to proceed.
- 2.6 For the purpose of paragraph 2.5 only, the related price included in Annex A to Call Off Schedule 5 (Pricing) shall be set by reference to the Forward Additional Services Plan (FASP) and shall be adjusted annually at the start of each Financial Year using the Change Process in Call-Off Schedule 15 (Contract Management). when the following condition is met;
- 2.6.1 For professional services only, the related price may be adjusted on a pro-rata basis when the total number of Billable Works tasks for the year requiring professional services represents a difference of more or less than 5% of the number indicated by the FASP.
- 2.6.2 Where a difference outlined in paragraph 2.6.1 has occurred, the baseline for calculation shall become the FASP against which the calculation was based.
- 2.7 Where requested by the Buyer, the Supplier shall accept the designs of other suppliers, as provided by the Buyer, as the basis for its construction of Billable Works.

3. QUOTATION AND TENDERS FOR BILLABLE WORKS

- 3.1 Where the Buyer gives instructions to the Supplier to manage and/or execute Billable Works the pricing mechanisms shall apply in accordance with the three value bands. These are:
- 3.1.1 Value Band 1 covering Billable Works from £0 to £25,000 ex VAT.
- 3.1.2 Value Band 2 covering Billable Works greater than £25,000 ex VAT up to £1,000,000 ex VAT.
- 3.1.3 Value Band 3 covering Billable Works greater than £1,000,000 ex VAT.
- 3.2 The upper and lower thresholds of each Value Band will be subject to Indexation as described in Call Off Schedule 5 (Pricing).
- 3.3 Exceptionally, the Buyer may direct that a Value Band 2 Billable Work may be treated as if it is in Value Band 1. This is likely to be used when the Buyer has an urgent requirement to be delivered quickly.
- 3.4 In addition to the provisions for Indexation in accordance with paragraph 3.2 above the Buyer reserves the right to review the Value Band Thresholds not less than annually and, in discussion and agreement with the Supplier, amend the Thresholds to ensure they fully reflect the most efficient administrative position for the Parties
- 3.5 Quotations for Billable Works in Value Band 3 shall include the Billable Works Management Overhead, Corporate Overhead and Profit percentages detailed in the rates and prices in Annex A to Call Off Schedule 5 (Pricing).
- 3.6 **Value Band 1** Billable Works shall be managed and executed by the Supplier and are to be delivered as follows:
- (a) A Statement of Need shall be generated by either the Buyer or Supplier;
 - (b) If required by the Buyer, the Supplier shall;
 - (i) provide a Rough Order of Costs (ROC) estimate within 5 Working Days unless otherwise agreed with the Buyer, and
 - (ii) wait for authorisation from the Buyer to proceed.
 - (c) If a ROC is not requested the Buyer shall authorise the Work Order and the Supplier may proceed with Value Band 1 Billable Works;
 - (d) On completion of the Value Band 1 Billable Works the Supplier will be entitled to include the Charges for such work exclusive of the management costs detailed in paragraph 2.5 above in the next invoice it is to submit to the Buyer on an Ascertained Cost basis;
 - (e) Value Band 1 Billable Works invoiced costs will be categorised in accordance with RICS New Rules of Measurement 3 (NRM 3) except as otherwise agreed and shall include the Corporate Overhead and Profit percentages detailed in Part 11 of Annex A to Schedule 5 (Pricing) relevant to Value Band 1
 - (f) The Buyer will Audit a sample of Value Band 1 invoices to assess that Billable Works are delivered to satisfactory time, price and quality in accordance with the Performance Measures as described in Call Off Schedule 14 (Performance Management);

CALL-OFF SCHEDULE 4A – BILLABLE WORKS

- (g) The Buyer reserves the right to request Firm Prices for Value Band 1 Billable Works; if Firm Prices are requested, a Work Order shall be used;
 - (h) The Supplier shall invoice the Buyer as set out in a Work Order and in accordance with the provisions of Call-Off Schedule 5 (Pricing).
- 3.7 **Value Band 2** Billable Works shall be managed and/or executed by the Supplier and will be delivered as follows:
- (a) A Statement of Need shall be generated by either the Buyer or Supplier.
 - (b) The Supplier shall provide a Rough Order of Cost within 5 Working Days of the Statement of Need being generated, unless otherwise agreed with the Buyer.
 - (c) For Billable Work valued below £100,000 ex VAT (Value Band 2a), the Supplier shall:
 - i. On request, provide a proposal, for Buyer Approval and/or amendment, that details how the Statement of Need will be met (e.g. scope, timescales etc.); then,
 - ii. Provide a Firm Price based upon Archetype Rates and/or M3NHF schedule of rates or where such prices and/or rates are not available the Supplier shall obtain 3 Firm Priced Quotes from their supply chain within 20 Working Days (or such time period agreed with the Buyer).
 - (d) For Billable Work values equal to, or above £100,000 ex VAT (Value Band 2b), the Supplier shall:
 - (i) provide a proposal, for Buyer Approval and/or amendment, that details how the Statement of Need will be met (e.g. scope, timescales etc.); then,
 - (ii) obtain at least 3 tenders from their supply chain under a formal competitive procurement process, that follows UK Government public sector procurement requirements as agreed between the Supplier and the Buyer on timescales agreed with the Buyer. This shall normally be a Firm Priced tender but may be directed otherwise by the Buyer.
 - (e) Quotations for Billable Works in Value Bands 2a and 2b (except those using the M3NHF Schedule of Rates where overheads and profit are included) shall include the Corporate Overhead and Profit percentages detailed in Part 11 of Annex A to Schedule 5 (Pricing) relevant to Value Band 2.
 - (f) The Supplier shall not commence any Value Band Two Billable Works until a Work Order has been raised by the Buyer.
 - (g) The Supplier shall invoice the Buyer as set out in the Work Order and in accordance with the provisions of Call-Off Schedule 5 (Pricing). All invoices submitted shall be exclusive of the management costs detailed in paragraph 2.5 above.

3.8 **Value Band 3** Billable Works shall be managed and/or executed by the Supplier as follows:

- (a) A Statement of Need shall be generated by either the Buyer or Supplier.
- (b) The Supplier shall:
 - (i) provide a Rough Order of Cost within 10 Working Days of the Statement of Need being generated, unless otherwise agreed with the Buyer;
 - (ii) provide a proposal, for Buyer Approval and/or amendment, that details how the Statement of Need will be met (e.g. scope, timescales etc);
- (c) Quotations for Billable Works in Value Band 3 shall include the Management Overhead, Corporate Overhead and Profit percentages detailed in Part 11 of Annex A to Schedule 5 (Pricing) relevant to Value Band 3.
- (d) On instruction from the Buyer to proceed, the Supplier shall obtain at least 3 formal tenders under a formal competitive procurement process, that follows UK Government public sector procurement requirements on timescales agreed with the Buyer. The process and the most effective pricing model shall be set by the Buyer to best meet the business need;
- (e) The Supplier shall not commence any Value Band Three Billable Works until a Work Order has been raised by the Buyer;
- (f) The Supplier shall invoice the Buyer as set out in the Work Order and in accordance with the provisions of Call-Off Schedule 5 (Pricing) and shall include Billable Works Value Band 3 Management Overhead, Corporate Overhead and Profit calculated in accordance with paragraph 3.5 above

3.9 **Exceptional situations**

3.9.1 Emergency situations and/or Business Critical Events may give rise to the need for the Supplier to take immediate action to deal with events that present an immediate risk to security or the health and safety of persons on Buyer Premises. In such circumstances, the Supplier may be unable to obtain the Buyer's prior Approval to take appropriate action. Under these circumstances and notwithstanding the processes and approvals required under Paragraph 3.6 to 3.9 above, the Supplier shall:

- (a) take the necessary immediate action; and
- (b) notify the Buyer immediately, detailing the Emergency situation and/or Business Critical Event that has arisen; and
- (c) seek formal Approval from the Buyer by email and/or telephone as soon as is operationally possible; and
- (d) keep the Buyer advised on the technical and financial status of the task;

CALL-OFF SCHEDULE 4A – BILLABLE WORKS

- (e) retrospectively commence the proper process as described in this Paragraph 3 as soon as is reasonably practicable and no later than the start of the next Working Day.

The Buyer shall not unreasonably withhold Approval to any Ascertained Costs reasonably and properly incurred by the Supplier, noting that the Supplier is required to mitigate such costs.

3.9.2 If, part way through the Delivery of a Value Band 1 Billable Work, it becomes evident that the final costs of Firm Prices may exceed the Value Band 1 upper threshold then the Supplier shall notify the Buyer as soon as is reasonably practicable and await instructions as to how to proceed.

3.9.3 If Billable Works are aborted by the Buyer prior to completion, any claim for costs up to the point of it being aborted shall be treated as a Recompense Request as per Call-Off Schedule 15 (Contract Management); any such claim shall be for Ascertained Costs.

4. SUPPLIER BEHAVIOURS

- 4.1 The Buyer shall assist the Supplier to maximise its buying power by granting access to the Crown Commercial Services and Buyer frameworks and benchmarking against these to offer the most advantageous commercial position to the Buyer to ensure value for money. Accessed Contracts are more fully defined in Call-Off Schedule 4 (Facilities Management), paragraph 1.
- 4.2 The Supplier shall source parts at the most cost-effective terms having regard to quality and Delivery time requirements. The Supplier and the Buyer shall agree in advance the use of refurbished parts where they are deemed to be cost beneficial without any loss of service or as required to achieve required return to full operational service.
- 4.3 The provisions for Replacement Equipment, Installation Works and Defects, as set out in Call-Off Schedule 4 (Facilities Management) and Clause 3 of the Core Terms shall apply to all Billable Works.

5. TIME FOR COMPLETION

- 5.1 The Supplier shall with due diligence and expedition commence and carry out the Billable Works, so they are complete by the date specified in the Work Order (“The Completion Date”) or, if not specified, within a reasonable period after its issue.
- 5.2 To the extent that any Billable Works are required to be completed by a specified Completion Date, the Supplier shall be entitled to additional time if and to the extent that the progress of the Billable Works is or will be delayed by:
 - 5.2.1 a Variation (unless additional time has been agreed under Clause 24 of the Core Terms (Changing the Contract)).
 - 5.2.2 a material change to the Billable Works instructed by the Buyer; or
 - 5.2.3 an Authority Cause or any other act of prevention by the Buyer; or
 - 5.2.4 any of the following events or circumstances the occurrence of which is beyond the Supplier’s control, which the Supplier could not reasonably have foreseen or provided against, and which having arisen the Supplier could not reasonably have avoided or overcome and is not substantially attributable to the Buyer:

CALL-OFF SCHEDULE 4A – BILLABLE WORKS

- (a) war, hostilities (whether war be declared or not), invasion, act of foreign enemies, rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war;
- (b) riot, commotion or disorder by persons other than the employees of the Supplier or any Supplier Staff;
- (c) official strike or industrial action which prevents or demonstrably delays the provision of the Deliverables provided that such strike or industrial action is of a national or regional nature, does not affect the site of the provision of the Deliverables alone and is not restricted to the employees of the Supplier or any Supplier Staff;
- (d) nuclear, chemical or biological contamination or sonic booms;
- (e) exceptionally adverse weather conditions, or
- (f) natural catastrophes such as earthquake, tsunami, volcanic activity, hurricane or typhoon;
- (g) save for any of the above risks which are expressly assumed by the Supplier; or

5.2.5 a cause of delay giving the Supplier an entitlement to additional time under any other clause of the Contract.

- 5.3 If the Supplier considers itself to be entitled to additional time, the Supplier shall give notice to the Buyer in accordance with Clauses 5.2 and 25 of the Core Terms (How to communicate about the Contract). On receipt of such notice the Buyer shall consider whether the Billable Works has been or is likely to be delayed beyond the Completion Date and if in agreement, shall grant additional time to the Supplier by fixing such later date for completion of the Billable Works as the Buyer estimates to be fair and reasonable.
- 5.4 When determining each entitlement to additional time under this paragraph 5, the Buyer shall review previous determinations and may increase, but shall not decrease, the total additional time.
- 5.5 The Supplier shall not be entitled to additional time to the extent that it has failed to use best endeavours to avoid or reduce the cause of delay and/or effects of any delay; or to the extent that any delay is due to its own breach or default.

6. THE BILLABLE WORKS PROGRAMME

- 6.1 The Buyer shall provide the Supplier with an initial set of proposed Billable Works as soon as reasonably practicable within the Mobilisation Period. These will be confirmed by the Buyer as Statements of Need on or before the ISD.
- 6.2 Following ISD and by each 30th June the Supplier shall provide their recommendations for Billable Works for the following Financial Year. This shall be the FASP.
- 6.3 Each year as part of its ABC Financial Planning Process the Buyer will share an indicative view of future Billable Works by each 15th January and this will be confirmed before the start of each Financial Year.
- 6.4 The Supplier shall, on a Monthly basis, update and maintain the Billable Works Programme.
- 6.5 The Billable Works Programme shall show:

CALL-OFF SCHEDULE 4A – BILLABLE WORKS

- 6.5.1 progress achieved and any delays with any in-stream Billable Works;
- 6.5.2 actual spend (burn rate) Monthly and cumulatively to date for each Value Band;
- 6.5.3 anticipated Billable Works and predicted costs for the year ahead;
- 6.5.4 estimated dates of completion;
- 6.5.5 any critical paths, dependencies or key activities to completion of the Billable Works.

7. GROUNDS MAINTENANCE – BILLABLE WORKS

- 7.1 From the In-Service Date and for the following 12-month period (including all seasons) the Supplier shall undertake Grounds Maintenance (but excluding Garden Maintenance, Built Assets and Infrastructure Assets), each described and the requirement outlined in Call-Off Schedule 28 (Call-Off Specification) Part 8 Section 5 and 6 and charge for such work as Billable Works.
- 7.2 Notwithstanding the requirements outlined in paragraph 3.6(b) for Grounds Maintenance undertaken by the Supplier as described in paragraph 7.1 above, which falls into Value Band 1 the Supplier shall provide the Buyer with a Rough Order of Costs for all Statement of Needs raised by either the Buyer or the Supplier prior to the work being authorised and undertaken. The Rough Order of Costs shall consist of labour, materials and directly related Sub-contract costs only and shall be subject to any maximum rates as detailed in Annex A (Rates and Prices) to Call Off Schedule 5 (Pricing)).
- 7.3 Following the period outlined in paragraph 7.1 above, Grounds Maintenance treated as Billable Works be incorporated into the PPE as described in paragraph 2 of Call-Off Schedule 5 (Pricing) and no longer treated as Billable Works.

ANNEX A

A1. The Statement of Need, its authorisation and the resulting Work Order are workflow processes within the Buyer's Infrastructure Management System (IMS). The required elements for the Statement of Need to support the IMS are set out in Table A1 below. The Buyer reserves the right to update or amend the data elements outlined below for reasons including but not limited to changes, updates or replacement of the IMS by the Buyer.

Table A1. Statement of Need Data Elements. Redacted – Commercially Sensitive Information