



ORDER

ORDER NO: **SER/0617**

Date of Order: **12 September 2016**

(To be quoted on all correspondence relating to this Order)

| | |
|--|---|
| <p>FROM (Customer):</p> <p>Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B5 4UA</p> <p>Customer's representative: David Roberts</p> <p>T: +44 (0) 121 644 7686 E: david.roberts@ofwat.gsi.gov.uk</p> | <p>TO (Contractor):</p> <p>Economic Insight Limited 88 Wood Street London EC2V 7RS</p> <p>Contractor's representative: [REDACTED]</p> <p>T: +44 (0) 207 100 37 46 [REDACTED]</p> |
| <p>SERVICES TO BE DELIVERED TO:</p> <p>Not applicable</p> | <p>INVOICE ADDRESS:</p> <p>finance@ofwat.gsi.gov.uk</p> <p>or</p> <p>Finance Team Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B4 5UA</p> |
| <p>Any Contract arising from this Order shall be governed by the Call-Off Terms and Conditions as set out in the Ofgem Framework Agreement for Economic, Financial and Related Consultancy Services, between the Gas and Electricity Markets Authority and Economic Insight Limited with effect from 1 September 2015; the Customer's Invitation to Tender, dated 1 August 2016 and clarification paper (attached at Appendix A); the Contractor's tender dated 17 August 2016 and clarification emails on conflicts of interest (7 September 2016) and additional customer insight support (9 September 2016); and any enhancements thereto and provisions expressly listed herein.</p> | |
| <p>Description of Services Requirement:</p> <p>Customer experience in the water sector – Future customer performance commitment and Service Incentive Mechanism (SIM) review (PROC.01.0524)</p> <p>Service Category</p> <p>Economic, Financial and Related Consultancy Services – 3A Regulatory and Incentive Design</p> | |

Programme: Water 2020

Contract Period

The Commencement Date shall be 12 September 2016.

The Contract end date is expected to be 2 December 2016 and expire on delivery of the specified Deliverables.

Charges

Customer spend under this Services Order for the Contract is restricted to a maximum of **£59,590** ("the Cap") excluding any travel and accommodation and VAT.

Charges per Working Day

The table below provides the Charges per Working Day for each grade of Staff involved in the performance of the Services.

| Framework Grade | Maximum Framework Daily rate (£) | Charges per Working Day * (£) for Contract |
|-----------------|----------------------------------|--|
| | | |

Contract Price

| Key Personnel | Day rates (£) * | Estimated time inputs in Days | Total excluding VAT and travel and accommodation |
|----------------------------------|-----------------|-------------------------------|--|
| [REDACTED] | [REDACTED] | 9.5 | [REDACTED] |
| | | 5 | |
| | | 10 | |
| | | 8 | |
| | | 10 | |
| Total Project Cost £ | | | £65,100 |
| Discounted Project Cost £ | | | £59,590 |

*A Working Day is based on 8 hours

In line with the Framework Agreement all Charges shall be fixed for the term of the Framework Agreement.

Any travel and accommodation must be in accordance with Ofwat's standard travel and accommodation rates as attached at Appendix B as updated and amended from time to time. Any travel and accommodation required in connection with the provision of the Call-Off Services will be reimbursed on acceptance of receipts and where appropriate a mileage log.

The Customer will not pay for:

- Any items which it regards as part of the Contractor's overheads (for example; word-processing, secretarial time, cost of faxes and telephone charges);
- Any expenses not authorised in advance by the Customer's project manager;
- Travelling time unless the Customer's project manager has authorised in advance the payment of travelling time.

The costs are all inclusive with the sole exceptions of:

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

Deliverables

The table below sets out the Deliverables and payment profile:

| Deliverables | Delivery Dates | Percentage of total cost excl VAT and travel and accommodation |
|---|--------------------|--|
| On acceptance of the draft report (1st draft) | By 28 October 2016 | 40% |
| On acceptance of the final report, presentation slide package and post-project feedback and lessons learned | By 2 December 2016 | 60% |

Invoicing and Payment

Invoices for payment will be due upon acceptance of each Deliverable by the Customer. Payment will be made electronically via Banks Automated Clearing Services (BACS). Any payment will be in accordance Clause 3 of the schedule 5 Call off terms.

All invoices shall contain the following information:

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

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

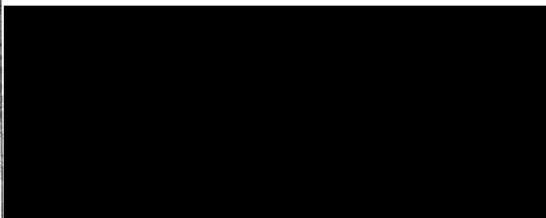
Invoices must not contain the Contractor's terms and conditions, nor can reference be made to the Contractor's terms and conditions. Invoices with the Contractor's terms and conditions printed on them or referred to therein will not be accepted by the Customer.

Customer's Key Personnel

Bart Schoonbaert - Project Lead

David Roberts - Project Manager

Contractor's Key Personnel



Variation to Contract

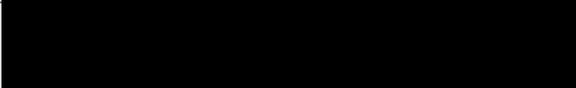
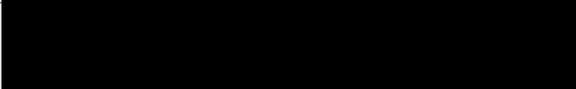
Any amendments to the Contract must be agreed in writing in accordance with the provisions of the Variation Form at Appendix 1 of the Schedule 5 - Call off Terms and Conditions.

Formation of Call Off Contract

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

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

For and on behalf of the Contractor:

| | |
|-----------|--|
| Name |  |
| Position |  |
| Signature |  |
| Date | 12 / 09 / 2016 |

For and on behalf of the Customer:

| | |
|-----------|--|
| Name | BART SCHOONBAERT |
| Position | PRINCIPAL |
| Signature |  |
| Date | 12/09/2016 |

Appendix A

Clarification – Written Questions and Answers to the ITT Document

| No. | Submitted | Question | Answer | Answered |
|-----|------------------|---|---|------------------|
| 1 | 16/08/2016 09:53 | 1. Please can Ofwat comment on the scope of the review and to which extent should radical changes be considered compared to tailoring the existing regime? 2. Depending on the answer to question 1, what is Ofwats expectation on how far the solution would be defined in the deliverables? | 1. As per the ITT, we want to consider all options which meet our objectives and can satisfy the relevant assessment criteria. There is no prerequisite on tailoring the existing regime only. 2. We would expect possible solutions to be defined as part of the deliverables (referred to as 'options for measurement' in the ITT). | 16/08/2016 12:30 |

Appendix B - Travel and Accommodation rates

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

Accommodation:

Paid on actual expenditure within the following prescribed ceilings:

| | |
|-------------------|------|
| London | £165 |
| Elsewhere | £115 |
| Private residence | £25 |

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

Mileage Rates:

25p per mile

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

Rail Travel:

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

