

# Primary Care Support Services Call-Off Terms

## Schedule 4.1

### **Charges and Invoicing**

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**Introduction**

1.1 This Schedule sets out:

- 1.1.1 the process to be used to calculate, review and adjust each Banded Charge in Part A;
- 1.1.2 details of the Monthly Fixed Charges in Part B;
- 1.1.3 details of the Set Monthly Charges for certain Services in Part C;
- 1.1.4 the principles applicable to the calculation of any time and materials Charges in Part D;
- 1.1.5 Milestone Charges [REDACTED];
- 1.1.6 the Charges applicable to Additional Services in Part F;
- 1.1.7 the principles applicable to Changes to the Charges in Part G;
- 1.1.8 the requirements relating to the development of a pro forma invoice in Part H; and
- 1.1.9 the requirements relating to the invoicing of all Charges in Part I.

1.2 [REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Part A: Banded Charges**

**2. Applicability of Banded Pricing**

2.1 Subject to Paragraph 2.5, Banded Charges shall apply in respect of all Banded Services ordered and received by the Customer pursuant to this Call-Off Agreement. The Banded Prices and Price Bands applicable to this Call-Off Agreement are set out in Annex 2 of this Schedule.

2.2 The Banded Charges shall be forecast, calculated and reviewed in accordance with the process set out in Part A (Banded Charges) of Schedule 4.2 (Framework Charges and Rate Card) to the Framework Agreement.

2.3 [REDACTED]

2.4 The Customer and Supplier acknowledge that the Banded Charges applicable to a Volume Forecast Year may be subject to adjustment pursuant to an Actual Volume Calculation and that,

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in the event that an Actual Volume Calculation results in a change to one or more of the Banded Charges, the Supplier shall either:

- 2.4.1 in the case of the application of a lower Price Band, be obliged to promptly (and in any event within 30 days) issue the Customer with a credit note in respect of any overpayment; or
- 2.4.2 in the case of the application of a higher Price Band, be entitled to invoice the Customer, in accordance with the invoicing requirements set out in this Schedule, in respect of any underpayment.

2.5 For the first Contract Year, the Banded Charges shall not apply to the Banded Services under this Call-Off Agreement, and instead the following Set Year One Charges shall apply in respect of the Banded Services (regardless of the Actual Volume of Banded Services in that first Contract Year), which the Supplier shall be entitled to invoice the Customer on the 7th day (or the next subsequent Working Day where the 7th day is not a Working Day) of the month in respect of that month's charges and the Customer will pay in accordance with Paragraph 16 of this Schedule:

	Contract Year 1 Charges (per month)	Total Set Year One Charge (£)
Set Year One Charge (£) - Months 1 to 7	[REDACTED]	[REDACTED]
Set Year One Charge (£) - Months 8 to 12	[REDACTED]	

2.6 Notwithstanding Paragraph 2.5, the Parties shall nonetheless comply with the volume monitoring and reporting procedures set out in Part A (Banded Charges) of Schedule 4.2 (Framework Charges and Rate Card) to the Framework Agreement during the first Contract Year.

2.7 It is acknowledged and agreed that:

[REDACTED]

[REDACTED]

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■ [Redacted]

■ [Redacted]

■ [Redacted]

2.11 It is acknowledged and agreed that the Charges for the Defence Medical Services (as set out in Schedules 2.1 (Call-Off Service Description) and 3.1 (Supplier Solution) of this Call-Off Agreement) shall be as follows:

Defence Medical Service Ref.	Defence Medical Service	Applicable Charges
1	Maintaining patient population database	
■	[Redacted]	[Redacted]

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Defence Medical Service Ref.	Defence Medical Service	Applicable Charges
■	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]
<b>2</b>	<b>Medical records Service</b>	
■	[REDACTED]	[REDACTED]
<b>3</b>	<b>Cervical screening call / recall</b>	
■	[REDACTED]	[REDACTED]

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Defence Medical Service Ref.	Defence Medical Service	Applicable Charges
█	█	█
█	█	█
█	█	█
4	Management of Open Exeter (or its replacement when provided by the Supplier)	█
█	█	█
5	Registration Authority Service	█
█	█	█

Part B: █

█ █

█ █

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| [REDACTED] |            | [REDACTED] |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| [REDACTED] |
|            | [REDACTED] |
|            | [REDACTED] |
| [REDACTED] |

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]										
[REDACTED]										

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[REDACTED]										
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[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]										
[REDACTED]										
[REDACTED]										

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]										
[REDACTED]										
[REDACTED]										

[REDACTED]

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[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

**Part D: Time and Materials Charges**

**5. Time and Materials Charges**

- 5.1 Where the Customer requests any Additional Services, or any other Services which are not priced under this Schedule and the Parties agree that those Services shall be provided on a "time and materials" basis, the Charges for such Services shall be calculated by applying the Day Rates set out in Annex 3 (Rate Card) to this Schedule unless otherwise agreed in advance in writing between the Parties.
- 5.2 The Supplier shall keep records of hours worked in the form of timesheets and expenses incurred, and it shall submit a summary of the relevant records to the Customer with any invoice. If requested by the Customer, the Supplier shall make available copies of the detailed records to the Customer within 10 Working Days after the Customer's request.

**Part E: Milestone Charges [REDACTED]**

**6. Transition and Transformation Milestone Charges**

- 6.1 The following Milestone Charges shall be payable, and the Supplier shall be entitled to issue an invoice in respect of such Milestone Charges, on Achievement of the applicable Milestone (whether before, on, or after the Milestone Date) as set out in the table below:

**Milestone Charges**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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**Part F: Additional Services**

**8. Additional Services**

- 8.1 The Charges for Additional Services shall be agreed with the Supplier through the Change Control Procedure at the time the Additional Service is required.
- 8.2 The Customer may specify the pricing mechanism to be used by the Supplier to price Additional Services. The pricing mechanism which may be used to price Additional Services include:
- 8.2.1 fixed price;
  - 8.2.2 time and materials;
  - 8.2.3 capped time and materials;
  - 8.2.4 cost plus;
  - 8.2.5 risk reward, i.e. outcome based pricing; or
  - 8.2.6 Banded Charges.
- 8.3 The Customer shall have the discretion to select which of the pricing mechanisms will apply to the provision of the Additional Services and the request for the provision of the Additional Services shall be processed in accordance with the Change Control Procedure.
- 8.4 If the Customer requires the Supplier to price an Additional Service, the margin to be applied to the Additional Services shall not be higher than that anticipated in the Supplier's Initial Financial Model.

**Part G: Changes to the Charges**

**9. Allowable Assumptions**

- 9.1 The Supplier shall determine whether each Allowable Assumption is accurate within the applicable period for verification as set out in the table in Annex 1 (the "**Verification Period**"). In the event that, during the Verification Period, the Supplier anticipates that any Allowable Assumptions is materially inaccurate the Supplier shall notify the Customer of such inaccuracy at the earliest opportunity.
- 9.2 During the Verification Period, the Customer shall provide the Supplier with reasonable assistance and access to information within its possession or reasonable control and which the Customer deems is relevant to the Allowable Assumption being verified.
- 9.3 Within 10 Working Days of the end of the applicable Verification Period, the Supplier shall provide the Customer with a written report setting out the results of the Supplier's verification activity for each of the Allowable Assumptions, including whether each Allowable Assumption is accurate or, if not, the anticipated Assumption Cost Impact during the Transformation Period. For the avoidance of doubt, the Supplier shall not take into account, nor shall the Charges be changed on account of, any cost impact relating to the period after the end of the Transformation Period. The Supplier shall not be entitled to increase its Set Year One Charges or the Monthly Fixed Charges (as appropriate) in accordance with the process described in Paragraph 9.6 below to the extent

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that it does not raise an issue within 10 Working Days of the end of the Verification Period in accordance with this Paragraph 9.

- 9.4 The Supplier's claim that any Allowable Assumption is inaccurate, and the associated Assumption Cost Impact as provided by the Supplier pursuant to Paragraph 9.3 above, shall be subject to the Customer's verification and agreement, at which point each shall become an **"Agreed Assumption Cost Impact"**.
- 9.5 Each Allowable Assumption shall be deemed accurate, and the Charges shall not be increased or decreased in accordance with the process described in Paragraph 9.6 below, if the aggregate value of the Agreed Assumption Cost Impacts in relation to all Allowable Assumptions does not exceed the Assumption Cost Impact Threshold.
- 9.6 Subject to the Supplier complying with Paragraph 9.3, and only where the aggregate Agreed Assumption Cost Impact, using the methodology specified in Column 5 of Annex 1, is greater than the Assumption Cost Impact Threshold, as specified in Column 12 of Annex 1, where the Parties agree that an Allowable Assumption is not accurate:
- 9.6.1 the Supplier shall (where the Agreed Assumption Cost Impact results in an increase in the Monthly Fixed Charges) take all reasonable steps to mitigate the impact of the Allowable Assumption not being accurate;
- 9.6.2 the Supplier may (subject to Paragraph 9.6.3) propose a Change to take account of the impact of the adjustment of the Allowable Assumption, through an increase or decrease (as applicable) in the Set Year One Charges or the Monthly Fixed Charges (as appropriate) during the Transformation Period only to reflect the Agreed Assumption Cost Impact using the methodology specified in Column 5 of Annex 1 (up to the maximum impact on the Charges as specified in column 7 of the table in Annex 1) for that Allowable Assumption, and such Change Request shall be considered in accordance with the Change Control Procedure provided that, where the Change relates to a decrease in the Set Year One Charges or the Monthly Fixed Charges (as appropriate), the Supplier shall propose such Change no later than 10 Working Days following the Customer's agreement of the Agreed Assumption Cost Impact; and
- 9.6.3 where the Supplier proposes a Change to the Charges under Paragraph 9.6.2, the relevant Change Request shall reflect the requirements of the table in Annex 1, including the requirement that any proposed increase to the Set Year One Charges or the Monthly Fixed Charges (as appropriate) shall not exceed the maximum impact on the relevant Charges as specified in column 7 of the table in Annex 1.
- 9.7 Other than any increase in Set Year One Charges or the Monthly Fixed Charges (as appropriate) during the Transformation Period agreed pursuant to Paragraph 9.6 above, the Supplier shall not be entitled to any compensation, additional Charges or relief from its obligations under this Call-Off Agreement as a result of any Allowable Assumption being inaccurate, unless agreed otherwise between the Parties.
- 9.8 The Supplier shall record the actual Assumption Cost Impact of any Allowable Assumptions which have resulted in an increase in Set Year One Charges or the Monthly Fixed Charges (as appropriate) or other Charge as agreed during the Transformation Period, and the mitigation steps it has taken in respect thereof, and shall provide such information to the Customer on request. Where the actual Assumption Cost Impact incurred by the Supplier during the Transformation Period is less than the Agreed Assumption Cost Impact, the impact on the Set

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Year One Charges or the Monthly Fixed Charges (as appropriate) or other Charge as agreed pursuant to Paragraph 9.6 above shall be reduced accordingly and the Supplier shall refund the difference to the Customer on demand.

9.9 Up until 31 December 2015, the Supplier shall monitor the actual volume of each Banded Service delivered to the Customer and shall, within 10 Working Days of 1 February 2016, provide the Customer with a written report setting out the actual volume for each Banded Service. Where either Party reasonably believes that the actual volume data demonstrate that the centre point of Band 4 in the Price Band tables in Annex 2 of this Schedule in respect of any Banded Service is a materially inaccurate representation of actual monthly volumes as at the Call-Off Effective Date (taking into account historic data, seasonality, trends and temporary factors), the Parties shall (acting in good faith) agree whether to adjust the volume bands through the Change Control Procedure as follows:

9.9.1 the centre point of Band 4 for the Banded Service should reflect actual monthly volumes of the Service as at the Call-Off Effective Date (taking into account historic data, seasonality, trends and temporary factors);

9.9.2 the upper and lower limits of all other Volume Bands will be adjusted up or down by an equivalent percentage; and

9.9.3 the Banded Prices and any other Charges will not change.

**10. Payments for Delays due to Customer Cause**

10.1 Where the Supplier is entitled to compensation pursuant to Clause 44.1.6, such compensation shall be determined in accordance with the following principles:

10.1.1 the compensation shall only reimburse the Supplier for additional costs incurred by the Supplier and that the Supplier:

(a) can demonstrate it has incurred solely and directly as a result of the Customer Cause; and

(b) is, has been, or will be unable to mitigate, having complied with its obligations under Clause 44.1 (Customer Cause);

10.1.2 the compensation shall not operate so as to put the Supplier in a better position than it would have been in but for the occurrence of the Customer Cause; and

10.1.3 the Supplier shall provide the Customer with any information the Customer may require in order to assess the validity of the Supplier's claim to compensation.

**11. Service Credits**

11.1 Service Credits shall be calculated in accordance with the provisions of Schedule 2.2 (Service Levels) of this Call-Off Agreement.

11.2 The liability of the Supplier in respect of Service Credits shall be subject to Clause 39.4.2 (Limitations on Liability) provided that, for the avoidance of doubt, the operation of the Service Credit Cap shall not affect the continued accrual of Service Credits and Service Points in excess of such financial limit in accordance with the provisions of Schedule 2.2 (Service Levels).

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- 11.3 Where Service Credits become due pursuant to Schedule 2.2 (Service Levels), such Service Credits shall be applied as a reduction of the Charges payable in respect of the relevant Services to reflect the reduced value of the Services actually received and are stated exclusive of VAT.
- 11.4 All Service Credits shall be shown as a deduction from the amount due from the Customer to the Supplier in the invoice for the Service Period immediately succeeding the Service Period to which they relate.

**12. Changes to Charges**

Except as otherwise expressly set out in this Schedule 4.1, any Changes to the Charges shall be developed and agreed by the Parties in accordance with Schedule 5.2 (Change Control Procedure) and on the basis that the Supplier's Earned Gain on such Charges shall be no greater than the anticipated Earned Gain over the Initial Term applying to Charges using the same pricing mechanism, as set out in the Supplier's Initial Financial Model at the Call-Off Effective Date.

**Part H: Pro Forma Invoice**

**13. Pro Forma Supplier Invoice**

- 13.1 The Supplier shall prepare and provide the Customer for approval a draft single monthly pro forma invoice within five (5) Working Days of the Call-Off Effective Date which shall include the details set out in Paragraph 13.2 together with such other information as the Customer may reasonably require.
- 13.2 The Supplier shall ensure that the pro forma invoice makes provision for the inclusion of:
- 13.2.1 the date the invoice is raised;
  - 13.2.2 a unique invoice number;
  - 13.2.3 the month or other period(s) to which the relevant Charge(s) relate;
  - 13.2.4 the unique Call-Off Agreement reference;
  - 13.2.5 the reference number of the purchase order to which it relates (if any);
  - 13.2.6 the relevant Service Recipient(s) (if any);
  - 13.2.7 the dates between which the Services which are the subject of each of the Charges detailed on the invoice were or are to be performed;
  - 13.2.8 if required by the Customer, the Customer's cost centre and/or the Service Recipients which received the relevant Services and details of the Services it received;
  - 13.2.9 any payments due in respect of the Achievement of a Milestone (which for the avoidance of doubt shall be invoiced separately to other Charges);
  - 13.2.10 the total Charges gross and net of any applicable deductions and, separately, the amount of any disbursements properly chargeable to the Customer and/or the Service

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Recipient under the relevant Call-Off Agreement and, separately any VAT or other sales tax payable in respect of the same;

- 13.2.11 details of any Service Credits or similar deductions that shall apply to the Charges detailed in the invoice;
  - 13.2.12 reference to any reports required by the Customer in respect of the Services to which the Charges detailed on the invoice relate (or in the case of reports issued by the Supplier for validation by the Customer or any Service Recipient, then to any such reports as are validated by the Customer or the relevant Service Recipient in respect of the Services);
  - 13.2.13 a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries; and
  - 13.2.14 the banking details for payment to the Supplier via electronic transfer of funds (i.e. name and address of bank, sort code, account name and number).
- 13.3 Once approved by the Customer in writing, the Supplier shall use the approved form of invoice.

**Part I: Invoicing**

**14. Supplier Invoices**

- 14.1 The Supplier shall ensure that each invoice for the Charges contains:
- 14.1.1 the date of the invoice;
  - 14.1.2 a unique invoice number;
  - 14.1.3 where applicable, the Milestone to which the relevant Charge(s) relate;
  - 14.1.4 the reference number of the purchase order to which it relates (if any);
  - 14.1.5 the total Charges gross and net of any applicable deductions and, separately, the amount of any disbursements properly chargeable to the Customer under the terms of this Call-Off Agreement, and, separately, any VAT or other sales tax payable in respect of the same;
  - 14.1.6 a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries;
  - 14.1.7 the banking details for payment to the Supplier via electronic transfer of funds (i.e. name and address of bank, sort code and account name and number); and
  - 14.1.8 any other items required in the invoice pursuant to Paragraph 13 above.
- 14.2 Each invoice shall at all times be accompanied by sufficient information to enable the Customer to reasonably assess whether the Charges detailed thereon are properly payable ("**Supporting Documentation**"). Any such assessment by the Customer shall not be conclusive. The Supplier undertakes to provide to the Customer any other documentation reasonably required by the Customer from time to time to substantiate an invoice.

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- 14.3 The Supplier shall submit all invoices and Supporting Documentation in such format as the Customer may specify from time to time to the address notified to the Supplier from time to time.
- 14.4 All Supplier invoices shall be expressed in pounds sterling (£).
- 14.5 The Customer shall only regard an invoice as valid if it complies with the provisions of this Paragraph 14. Where any invoice does not conform to the Customer's requirements set out in this Paragraph 14, the Customer will return the disputed invoice to the Supplier. The Supplier shall promptly issue a replacement invoice which shall comply with the provisions of this Paragraph 14.
- 14.6 The invoice that the Supplier is required to submit on the 7th day of the month (or the next subsequent Working Day where the 7th day is not a Working Day) shall include as a minimum, as separate line items, the Banded Charges, [REDACTED] and where applicable the Set Year One Charge.

**15. Disputed Invoices**

- 15.1 If the Customer disputes any invoice:
- 15.1.1 the Customer shall notify the Supplier of such disputed invoice and provide details of the specific elements of the invoice which are in dispute;
- 15.1.2 following notification, the disputed invoice shall be immediately deemed void and the Supplier shall re-issue two invoices to the Customer, the first for the disputed sum (the "**Disputed Invoice**") and the second for the undisputed sum (the "**Undisputed Invoice**");
- 15.1.3 Paragraph 14 shall apply in respect of the Undisputed Invoice; and
- 15.1.4 the Disputed Invoice shall be referred to the Dispute Resolution Procedure for resolution.

**16. Payment Terms**

- 16.1 Subject to the provisions of Paragraph 13, 14 and 15, the Customer shall make payment to the Supplier within thirty (30) days of receipt of a valid and undisputed invoice by the Customer at its nominated address for invoices.