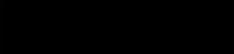


ORDER

ORDER NO: SER/0681	Date of Order: 26 May 2017
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(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: Colin Green</p> <p>T: +44 (0) 121 644 7500 DDI: +44 (0) 121 644 7745 E: colin.green@ofwat.gsi.gov.uk</p>	<p>TO (Contractor):</p> <p>Reckon LLP 31 Southampton Row London, WC1B 5HJ</p> <p>Contractor's representative : </p> <p></p> <p>www.reckon.co.uk</p>
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<p>SERVICES TO BE DELIVERED TO:</p> <p>Where necessary, as above and/or Ofwat's London Office</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>
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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 **Reckon LLP** effect from 1 September 2015; the Customer's Invitation to provide a Proposal dated 5 May 2017, the Contractor's Proposal dated 19 May 2017 and any enhancements thereto and provisions expressly listed herein.

Service Category

Pan-Regulators' Framework for Economic, Financial & Related Consultancy Services. Sub Lot: 3A - Regulatory and Incentive Design

Description of Services Requirement

Call-off Agreement - Strategic Regulatory Advice (PROC.01.0563)

SER/0681 - CALL-OFF AGREEMENT - STRATEGIC REGULATORY ADVICE (PROC.01.0563)

This Services Order seeks to aggregate smaller, typically low value work under a single Service Order reference in order to facilitate invoicing and payment for Services rendered, and the measurement and provision of management information. Such

The work will feed into our Design work-stream, ad hoc Services may include, without being limited to providing advice focusing on:

- The development of targeted price controls to support the development of upstream markets;
- Strategic policy issues relating to the design of upstream markets, development of incentives (such as the initial assessment of business plans), or the framework for access charges;
- Support around development of the feeder models (individual models that feed into Ofwat's financial model for the PR19 price control) related to wholesale controls; and
- Support in finalising our position for the draft methodology consultation and final methodology statement – both helping to develop our position, and also considering stakeholder responses to our draft methodology consultation (which will close in early September 2017) in reaching our final position for December 2017.

The Contract governs the overall relationship of the Parties with respect to the provision of Services. It is not an exclusive arrangement for the provision of services and the Customer reserves the right to invite competing bids and/or place orders elsewhere for other, the same or complementing services during the Contract Period.

The Customer is entitled (but not required) at any time during the Contract Period to call-off Services from the Contractor in accordance with the arrangements set out below. The Contractor shall not provide (and shall not be entitled to charge for) any Services until such Services are ordered by the Customer in accordance with such procedure.

Call off of Services

Contract Services may be engaged by the Customer's Project Manager contacting the Contractor and quoting the Services Order number (SER/0681). Work may be given by letter, by email, by telephone or face to face. On receipt of a work from the Customer the Contractor will complete a "Confirmation of work" and will forward this to the Customer.

The Confirmation of Work shall be in a form and manner to be agreed by the Customer and the Contractor. The Contractor shall include in the Confirmation of Work Package at least the following information:

- Scope and deliverables/services;
- Delivery personnel;
- Timetable; and
- Time inputs and costs estimate.

The Confirmation of Work and this Order, together with the Schedule 5 Call off Terms for the provision of Economic, Financial and Related Consultancy Services will form the contractual basis on which the Services will be provided in relation to each work package.

The agreed cost estimate for each Confirmation of Work will be the capped price payable by the Customer for the Services under that Confirmation of Work and will only be exceeded by agreement between the Parties. Such agreement will only be given by the Customer where cost overruns have arisen as a result of the work involved being over and above that reasonably anticipated prior to the Customer's approval to commence work under the relevant Confirmation of Instructions. Where the resource costs incurred by the Contractor performing the Services falls below the quotation for each call-off, the Contractor shall invoice the Customer for the actual value of the Services according to the charging structure and daily charge rates described below.

The Deliverables which satisfactorily address any points raised by the Customer and their acceptance by the Customer will signify successful completion of the work.

Contract Period

The Commencement Date shall be **30 May 2017**. The expiry date is **29 January 2018** unless extended or terminated earlier in accordance with the Contract.

Contract Cap and Charges per Working Day

The Customer's spend under this Services Order is restricted to **maximum of £45,000** ("the Cap").

All costs are all inclusive with the sole exceptions of:

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

The Customer will not pay for:

- Any items which it regards as part of the Supplier'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 table below provides the Charges per Working Day for the Key Personnel involved in the performance of the Services.

Framework Grade	Maximum charge per Working Day* (£) for Framework	Charges per Working Day* (£)	Charges per hour (£)
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Managing Consultant	[REDACTED]
Principal Consultant	[REDACTED]

*A Working Day is based on 8 hours

Any travel and accommodation must be in accordance with Ofwat's standard travel and accommodation rates as attached at Appendix A (rates are subject to changes, the Customer will advise the Contractor of any changes. Changes is become applicable 30 days after the Contractor is advised of such changes.as updated and amended from time to time). Travel and accommodation required in connection with the provision of the Call-Off Agreement will be reimbursed on acceptance of receipts and where appropriate a mileage log.

Key Deliverables

The outputs and deliverables may vary depending on the advice or support required, and may be verbal or written, Deliverables required and Deliverable dates will be agreed between the Customer and the Supplier in advance. It may also include the attendance at workshops, meetings and Ofwat's Delivery Boards.

Invoicing and Payment

Payment will be due upon Acceptance by the Customer of the Deliverables 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.

Contractor's Key Personnel

[REDACTED]



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.

For and on behalf of the Contractor:

Name	Colin Green
Position	Director
Signature	
Date	26/5/17

For and on behalf of the Customer:

Name	
Position	
Signature	
Date	26/5/17

Appendix A – Ofwat’s Travel and Accommodation 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.