



**ORDER**

ORDER NO: SER/ 0 588	Date of Order: 19 February 2016
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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: Robert Thorp</p> <p>T: +44 (0) 121 644 7500 DDI: +44 (0) 121 644 E: robert.thorp@ofwat.gsi.gov.uk</p>	<p>TO (Contractor):</p> <p>F1F9 UK Limited, 149 Church Road, Bath BA2 5JN</p> <p>Contractor's representative: </p> <p></p>
<p>SERVICES TO BE DELIVERED TO:</p> <p>Where necessary, as above.</p>	<p>INVOICE ADDRESS:</p> <p><a href="mailto:finance@ofwat.gsi.gov.uk">finance@ofwat.gsi.gov.uk</a></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 F1F9 UK Limited with effect from 1 September 2015; the Customer's Invitation to Provide a Proposal ref PROC.01.0502, dated 04 February 2016, its clarification paper dated 10 February 2016, the Contractor's Proposal dated 12 February 2016; and any enhancements thereto and provisions expressly listed herein.</p>	

## Description of Services Requirement:

Development of financial model compliant with FAST modelling standard (PROC.01.0502)

## Service Category

Pan-Regulators' Framework for Economic, Financial & Related Consultancy Services. Sub Lot 4J Financial Modelling (UK & International)

## Contract Period

The Commencement Date shall be 19 February 2016.

The expiry date is 31 March 2016; unless extended or terminated earlier in accordance with the Contract.

## Special Conditions

The following Alternative Clauses allowed under Schedule 5 Call off Terms will apply to this Contract

Clause 5.13.1 of the Call-off Contract shall be replaced with Option 2. (There is no involvement of the Contractor's staff in handling the Customer's sensitive data)

Clause 7.1.3 of the Call-off Contract shall be replaced with the following optional clause (which allows selection of liability caps more applicable to the specific contract):

7.1.3. Subject always to Clause 7.1.1 and Clause 7.1.4 the liability of either Party for Defaults shall be subject to the following financial limits:

7.1.3.1 the aggregate liability of either Party for all Defaults resulting in direct loss of or damage to the property of the other under or in connection with the Contract shall in no event exceed £55,400.00; and

7.1.3.2 the annual aggregate liability under the Contract of either Party for all Defaults shall in no event exceed the greater of £55,400.00 or 100% of the Contract Price payable by the Customer to the Contractor in the year in which the liability arises.

## Charges

The Capped Price for the project is **£54,400.00**, being the maximum amount payable to the Contractor for completion of the project, the Capped Price will only be exceeded by agreement between the Customer and the Contractor. 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 on the project.

The scope of services is as described in the Invitation to Tender Document, the clarification questions and answers and the Tender submission by the Contractor.

Where the resource costs incurred by the Contractor in performing the Services falls below the Capped Price, the Contractor shall invoice the Customer for the actual value of the Services provided according to the charge rates described in the Order Form.

The Services/deliverables which satisfactorily address any points raised by the Customer and their acceptance by the Customer will signify successful completion of this element of project.

The charge rates are all inclusive with the sole exceptions of:

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

**The Project Team Charge Rates**

Role	Rate per Hour	Hours	Fee
Director	£150	65	£9800*
Project Manager	£90	200	£18000
Modeller	£70	380	£26600
Total			£54400

\* minor differences exist between capped price and calculation of hours x rates. The Capped Price will at all times take precedence and where necessary the calculated total will be rounded up to correct the difference in total price.

Any travel and accommodation required in connection with the project will be reimbursed on Acceptance of receipts and where appropriate a mileage log. Any Travel and Subsistence must be in accordance with the travel and subsistence rates as attached at Appendix A.

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.

**Key outputs and Deliverables and corresponding Delivery Dates**

The Contractor is required to provide the following Deliverables by the following Deliverable dates

No	Deliverables	Delivery Dates
1	A completed FAST compliant rebuild of the PR14 FD financial model 2016 in accordance the Customer’s Invitation to Provide a Proposal ref PROC.01.0502, dated 04 February 2016 and the Contractor’s Proposal dated 12 February 2016 .	By 31 March 2016
2	An excel-based reconciliation tool (for reconciling key outputs from the completed financial model at 1. above to Ofwat’s PR14 FD financial model)	By 31 March 2016
3	Evidence that demonstrates that the completed financial model reconciles to key outputs from PR14 populated FD financial models.	By 31 March 2016

All three Deliverables must be produced by 31 March 2016. The completed financial model and reconciliation tool shall be compliant with 32-bit Excel 2013. They shall be free from passwords.

## **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.

<b>Key Deliverables</b>	<b>Percentage payment (%) of capped price</b>
On Acceptance of the final deliverables by the Customer, in the form of an email, Acceptance shall not to be unreasonably delayed or withheld.	100%

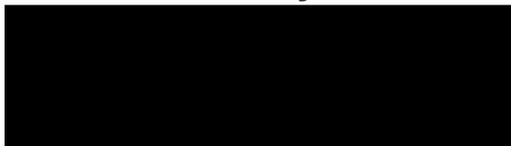
All invoices shall contain the following information:

- 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**



## **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.

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## 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:**

<b>Name</b>	[REDACTED]
<b>Position</b>	Proposals & Contracts Director
<b>Signature</b>	[REDACTED]
<b>Date</b>	19 <sup>th</sup> February 2016

**For and on behalf of the Customer:**

<b>Name</b>	Robert Thorp
<b>Position</b>	Project Manager
<b>Signature</b>	[REDACTED]
<b>Date</b>	19 February 2016

## Appendix A - Travel and Subsistence rates

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

### Meal Allowance:

Paid on actual expenditure within the following prescribed ceilings:

Breakfast	£10
Lunch	£8
Dinner	£25

These amounts cover the cost of purchasing meals and non- alcoholic beverages. Receipts must be submitted.

### 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.