

**ORDER**

ORDER NO: SER/ 0631

Date of Order: 21 November 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: Robert Thorp</p> <p>T: +44 (0) 121 644 7500 DDI: +44 (0) 121 644 7543 E: <a href="mailto:robert.thorp@ofwat.gsi.gov.uk">robert.thorp@ofwat.gsi.gov.uk</a></p>	<p>TO (Contractor):</p> <p>F1F9 UK Ltd 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 and/or Ofwat London Office</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 <b>F1F9 UK Limited</b> effective from 1 September 2015; the Customer's Invitation to provide a Proposal, dated 7 October 2016, the Contractor's Proposal dated 28 October 2016 and any enhancements thereto and provisions expressly listed herein.</p>	
<p><b>Description of Services Requirement:</b></p> <p>Development of financial model compliant with FAST modelling standard (PROC.01.0531)</p> <p><b>Service Category</b></p> <p>Pan-Regulators' Framework for Economic, Financial &amp; Related Consultancy Services. Sub Lot: 4J Financial Modelling (UK &amp; International)</p>	

## Alternative Clause

The following alternative clause will be applicable to this Contract Services:

### Limitation of Liability

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 thirty five thousand seven hundred pound (£35,700) ; 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 one hundred and seventy eight thousand two hundred fifty pounds (£178,250) or 125% of the Contract Price payable by the Customer to the Contractor in the year in which the liability arises.

### Baseline Personnel Security Standard

5.13.1 The Contractor hereby warrants that it shall, or shall procure that its agent shall, carry out the checks specified in "HMG Baseline Personnel Security Standard" (the "**Baseline Standard**") in respect of each person assigned to access premises, property or information belonging to the Customer (the "**assignee**").

5.13.2 Such checks shall be completed within **two (2)** Months of the date hereof and the Contractor shall, within that period, notify the Customer of the results of the checks and demonstrate that the checks have been carried out satisfactorily.

5.13.3 In the event that the results of any of the checks are not satisfactory, the Contractor shall:-

5.13.3.1 notify the Customer immediately;

5.13.3.2 withdraw the assignee from the service provision as soon as is reasonably practicable, at no penalty to the Customer; and

5.13.3.3 propose a replacement person with skills and expertise at least as good as those of the original assignee.

5.13.4 Where the Customer agrees to the replacement assignee proposed pursuant to Clause 5.13.3.3, it shall notify the Contractor. The Contractor shall carry out the Baseline Standard checks in respect of the replacement assignee within one (1) Months of the date of the date of the notice issued by the Customer in accordance with this Clause 5.13.4 and the Contractor shall, within that period, notify the Customer of the results of the checks and demonstrate that the checks have been carried out satisfactorily.

5.13.5 In the event that the results of any of the checks in respect of a replacement assignee are not satisfactory, the Contractor shall notify the Customer immediately and withdraw the assignee from the service provision as soon as is reasonably practicable, at no penalty to the Customer. The Customer may then elect to require the Contractor to propose a further replacement person with skills and expertise at least as good as those of the original assignee or terminate the Contract at no charge to the Customer.

5.13.6 The Contractor shall document full and accurate records of the Baseline Standard checks, such that the Customer (or its authorised agents) may verify that the Contractor has carried out such checks in accordance with the Baseline Standard.

5.13.7 Subject to legal requirements in respect of confidentiality the Contractor shall grant to the Customer (or its authorised agents) the right of reasonable access to all its records of Baseline Standards checks and shall provide all reasonable assistance at all times for the purposes of carrying out an audit of the Contractor's compliance with the Baseline Standard.

## Contract Period

The Commencement Date shall be 22 November 2016.

The expiry date is 24 February 2017; unless extended or terminated earlier in accordance with the Contract.

## Charges per Working Day

The table below provides the charges per Hourly Rate for the Key Personnel involved in the performance of the Services.

Framework Grade	Charges per hour rate* (£)
Partner/Director	
Principal Consultant	
Senior Consultant	

## Contract Price

The Capped price for the project **£35,650**. A break-down of the Contract Price is set out in Appendix A.

The quotation below (and as set out in the Contractor's Proposal) will be the capped price payable by the Customer for the project and 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.

Where the resource costs incurred by the Contractor in performing the Services falls below the quotation, the Contractor shall invoice the Customer for the actual value of the Services provided according to the charging structure described in the Order Form.

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

This cost are all inclusive with the sole exceptions of:

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

Any travel and accommodation required in connection with the project will be reimbursed on acceptance of copies of receipts and where appropriate a mileage log. Any Travel and Subsistence must be in accordance with the travel and accommodation rates as attached at Appendix B (rates are subject to changes, the Customer will advise the Contractor of any changes. Changes become applicable 30 days after the Contractor is advised of such changes.

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 Deliverables and corresponding Delivery Dates

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

No	Deliverables	Delivery date for Draft	Delivery date for final	Percentage of Capped Contract Price £
				6.4%
				44.8%
				16.1%
				7.7%
				25%

Payment will be due upon Acceptance by the Customer of the Deliverables in accordance Clause 3 of the schedule 5 Call off terms.

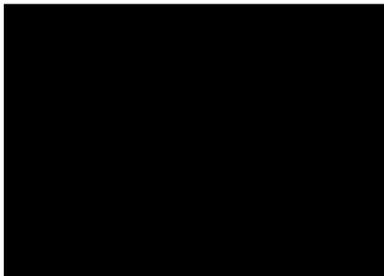
All invoices shall contain the following information:

- 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**



### **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.

### **Subcontractors**

Subcontractors F1F9 India Pvt Ltd and Aspis will be used in the delivery of the Services. F1F9 UK will be accountable for the subcontractors in the delivery of the Services.

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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 Contractor acknowledge all information with be managed in accordance with Part 2 - Call-Off Terms, Clause 5.8 - Freedom of Information.

The Parties hereby acknowledge and agree that they have read the Order Form and by signing below agree to be bound by this Contract.

For and on behalf of the Contractor:

Name	[REDACTED]
Position	[REDACTED]
Signature	[REDACTED]
Date	22 November 2016

For and on behalf of the Customer:

Name	ROBERT THORP
Position	PRINCIPAL
Signature	[REDACTED]
Date	22 NOVEMBER 2016.

## Appendix A - Break-down of the Contract Price

Framework Grade	Hourly Rate £	Estimated input time in hours	Contract Price £
Contract Capped Price £			£ 35,650.00

## Appendix B – 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.