Crown Commercial Service

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Call Off Order Form for Management Consultancy Services

THE PROVISION OF CONSULTANCY FOR PRICING: CLAIMS MANAGEMENT AND GUARANTEE FEE SCHEME

CONTRACT REFERENCE: CCCC21A09

CONTRACT FOR

HM TREASURY

TO PRICEWATERHOUSE COOPERS LLP

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

12/08/2013

PART 1 – CALL OFF ORDER FORM

SECTION A

This Call Off Order Form is issued in accordance with the provisions of the Framework Agreementfor the provision of Strategic Consultancy Services dated **04 September 2018**.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract.

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Call Off Order Form and the Call Off Terms.

|  |  |
| --- | --- |
| Order Number | **CCCC21A09** |
| From | **HM Treasury****("CUSTOMER")** |
| To | **Pricewaterhouse Coopers LLP****("SUPPLIER")** |
| Date  | **4 February 2021****("DATE")** |

SECTION B

1. call off contract period

|  |  |
| --- | --- |
|  | **Commencement Date**: 8 February 2021 |
| * 1.
 | **Expiry Date**:31 March 2021 |

1. Services

|  |  |
| --- | --- |
| 2.1.  | **Services required**: In Annex A – Statement of RequirementsThe Customer agrees that the scope of Services set out in this Order Form adequately reflects its requirements and addresses the mandatory requirements of Schedule 2 of the Framework Agreement.  The Supplier shall not be required to provide any services that are not expressly set out in this Order Form.**Customer Responsibilities**The Customer shall provide the Supplier with such information and assistance as the Supplier may reasonably require from time to time which will include access to the Customer's premises and staff.  Any information provided by the Customer shall be accurate, complete and not misleading and will not infringe the intellectual property rights of any third party.  The Supplier shall not be liable for any delay or other consequences resulting from the Customer's failure to provide such information and assistance or to comply with its other obligations under this Call Off Contract.COVID-19The ongoing uncertainty related to Coronavirus (COVID-19) may impact your and our ability to perform obligations under the agreement, including as a result of travel restrictions. For example, we may need to provide services from an alternative location, substitute personnel where practicable or work with you to establish remote access to your systems, as far as this is possible.  If you are affected by COVID-19 and it has an impact on the agreement please let us know so that we can seek solutions together. Please also see our [website](https://www.pwc.com/gx/en/issues/crisis-solutions/covid-19.html) here for information in relation to responding to the business impacts of COVID-19. |

1. PROJECT Plan

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3.1.**  | **Project Plan**: The following Contract milestones/deliverables shall apply:

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Draft model and guidance delivered to client | 12 February 2021 |
| 2 | Completed final model and guidance delivered to client | 8 March 2021 |

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1. contract performance

|  |  |
| --- | --- |
| **4.1.**  | **Standards**:Not applied |
| **4.2** | **Service Levels/Service Credits**:Not applied |
| **4.3** | **Critical Service Level Failure**:Not applied |
| **4.4** | **Performance monitoring:** Not applied |
| **4.5** | **Period for providing Rectification Plan:** In Clause 39.2.1(a) of the Call Off Terms |

1. personnel

|  |  |
| --- | --- |
| **5.1** | **Key Personnel**: **Customer:**[REDACTED]**Supplier:**[REDACTED] |
| **5.2** | **Relevant Convictions:** In Clause 28.2 of the Call Off Terms |

1. PAYMENT

|  |  |
| --- | --- |
| **6.1** | **Call Off Contract Charges** (including any applicable discount(s), but excluding VAT): [REDACTED]For the avoidance of doubt, the contract value shall not exceed £49,360.00 Ext Vat. These rates are to remain firm for the duration of the contract. |
| **6.2** | **Payment terms/profile** (including method of payment e.g. Government Procurement Card (GPC) or BACS):Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables. Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs. Invoices should be submitted to: InvoiceQueries@hmtreasury.gov.uk  |
| **6.3** | **Reimbursable Expenses**: Not permitted |
| **6.4** | **Customer billing address** (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):HM Treasury, Rosbery Court, St Andrew’s Business Park, Norwich, NR7 0HS  |
| **6.5** | **Call Off Contract Charges fixed for** (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):For the duration of the contract term*.* |
| **6.6** | **Supplier periodic assessment of Call Off Contract Charges** (paragraph 9.2 ofCall Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing))will be carried out on:**Not applicable** |
| **6.7** | **Supplier request for increase in the Call Off Contract Charges** (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):Not Permitted |

1. LIABILITY and insurance

|  |  |
| --- | --- |
| **7.1** | **Estimated Year 1 Call Off Contract Charges**:The sum of £49,360.00 (ex VAT) |
| **7.2** | **Supplier’s limitation of Liability**:In Clause 37.2.1 of the Call Off Terms |
| **7.3** | **Insurance:** In Clause 38.3 of the Call Off Terms |

1. TERMINATION and exit

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| --- | --- |
| **8.1** | **Termination on material Default** (Clause 42.2 of the Call Off Terms)):In Clause 42.2.1(c) of the Call Off Terms |
| **8.2** | **Termination without cause notice period** (Clause 42.7 of the Call Off Terms):In Clause 42.7.1 of the Call Off Terms |
| **8.3** | **Undisputed Sums Limit**:In Clause 43.1.1 of the Call Off Terms |
| **8.4** | **Exit Management:** Not applied |

1. supplier information

|  |  |
| --- | --- |
| **9.1** | **Supplier's inspection of Sites, Customer Property and Customer Assets:**Not applicable |
| **9.2** | **Commercially Sensitive Information**:Not applicable |

1. OTHER CALL OFF REQUIREMENTS

|  |  |
| --- | --- |
| **10.1** | **Recitals** (in preamble to the Call Off Terms):Recital A |
| **10.2** | **Call Off Guarantee (Clause 4 of the Call Off Terms):**Not required |
| **10.3** | **Security**:Short form security requirements |
| **10.4** | **ICT Policy:**Not applied |
| **10.6** | **Business Continuity & Disaster Recovery**: Not applied |
| **10.7** | **Protection of Customer Data:** In Clause 35.2.3 of the Call Off Terms |
| **10.8** | **Notices** (Clause 56.6 of the Call Off Terms):Customer’s postal address and email address: [REDACTED]Supplier’s postal address and email address: [REDACTED] |
| **10.9** | **Transparency Reports**Not applicable |
| **10.10** | **Alternative and/or Additional Clauses from Call Off Schedule 14 and if required, any Customer alternative pricing mechanism:**Not applicable |
| **10.11** | **Call Off Tender**:Not applicable |
| **10.12** | **Publicity and Branding:** In Clause 36.3.2 of the Call Off Terms |
| **10.13** | **Staff Transfer:**Given the nature of the services to be provided and the non-application of TUPE to the Services to be provided under this Call Off Contract, Schedule 10 shall not apply. |
| **10.14** | **Processing Data**In Call Off Schedule 17 |
|

|  |  |  |  |
| --- | --- | --- | --- |
| **Contract Reference:** | CCCC21A09 |  |  |
| **Date:**  | **04.02.2021** |  |  |
| **Description Of Authorised Processing** | **Details** |  |  |
| Identity of the Controller and Processor | The Parties acknowledge that for the purposes of the Data Protection Legislation the Parties are independent controllers of Personal Data under this Framework Agreement.  |  |  |
| Use of Personal Data | Managing the obligations under the Call Off Contract Agreement, including exit management, and other associated activities,  |  |  |
| Duration of the processing | For the duration of the Framework Contract plus 7 years.  |  |  |
| Nature and purposes of the processing |  |  |  |
| Type of Personal Data | Full nameWorplace addressWorkplace Phone Number Workplace email address Names Job TitleCompensation

|  |
| --- |
| Tenure InformationQualifications or Certifications |
| Nationality |
| Education & training history |
| Previous work history |
| Personal Interests |
| References and referee details |
| Driving license details |
| National insurance number |
| Bank statements |
| Utility bills |
| Job title or role |
| Job application details |
| Start date |
| End date & reason for termination |
| Contract type |
| Compensation data |
| Photographic Facial Image |
| Biometric data |
| Birth certificates |
| IP Address |
| Details of physical and psychological health or medical condition |
| Next of kin & emergency contact details |
| Record of absence, time tracking & annual leave |

 |  |  |
| Categories of Data Subject |  |  |  |

The contact details of the Suppliers Data Protection Officer are:Data Protection Officer[REDACTED]email: [REDACTED]The Parties acknowledge that for the purposes of the Data Protection Legislation the Parties are independent controllers of Personal Data under this Call Off Contract. |

**FORMATION OF CALL OFF CONTRACT**

**BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.**

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

**In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.**

|  |
| --- |
| **For and on behalf of the Supplier:** |
| Name and Title | [REDACTED] |
| Signature | [REDACTED] |
| Date | 12/02/2021 |
| **For and on behalf of the Customer:** |
| Name and Title | [REDACTED] |
| Signature | [REDACTED] |
| Date | 12/02/2021 |

**ANNEX A – STATEMENT OF REQUIREMENTS**

# PURPOSE

## HM Treasury are seeking services to support the design and implementation of a government-led scheme. This scheme will guarantee a proportion of loss to a selected set of participants across the United Kingdom.

# BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

* 1. The supplier shall provide services to update an excel-based guarantee fee model originally developed by pricewaterhousecoopers (pwc) in 2013 for hm treasury. The purpose of the model is to calculate a range of expected losses under a number of macroeconomic scenarios, for a scheme guaranteeing a proportion of loss to a selected set of participants. This information would then be used to inform a fee chargeable to those participating in the scheme.The supplier can utilise the fee model developed in 2013, to determine the credit losses under the new scheme and ultimately the range of appropriate guarantee fees. This includes:
* Assist in data gathering by providing you with a data inventory;
* Perform a “health check” of the 2013 delivered engine;
* Suggest and implement any enhancements seen in the market since the original development;
* Update key input data and assumptions, including bank/customer data, macroeconomic forecasts and other modelling assumptions e.g. cure rates, prepayments etc;
* Incorporate scheme administration fees within the model;
* Discuss and agree results with HMT and external stakeholders; and
* Formally hand over the engine for HMT to maintain and run independently.

The supplier will provide two key deliverables, namely:

* The refreshed and enhanced model, containing the latest data, assumptions and credit modelling methodologies (Excel based); and
* The associated model documentation, outlining the model methodology, key assumptions, and a user guide on how to operate the model (Word based).

	1. The design of the guarantee fee is EU state aid compliant, with the objective of the scheme remaining self-financing over the term of the guarantee’s protection.

# SCOPE OF REQUIREMENT

## Expertise is required to study the efficacy of the existing model, to manage an update to run the associated calculations in order to produce a set of expected loss results.

## Final products will take the form of Microsoft Excel spreadsheets in additional to supporting model use and guidance in the format of a Microsoft Word document.

# THE REQUIREMENT

## The Supplier shall analyse to assess the efficacy of the existing model to calculate expected losses under the scheme design.

## This will consider the model structure, information inputs and assumptions used to achieve overarching policy objectives.

## This will include:

* Review the model components in its ability to calculate expected losses.
* Produce a set of practical suggestions and options to improve the model design to calculate expected losses.
* Implement improvements to the model following the presentation of the findings and HM Treasury feedback.
* Review and complete a health check of the model to ensure that macros, cell links and other spreadsheet components are fully functioning.

4.4 The Supplier will provide an update of the model in order to run the associated calculations and produce a set of expected loss results. The enhancements will be to ensure that the model is aligned to current market practice, assumptions and data. A healthcheck of the original model will also be performed. The final model will not be released until the HM Treasury sign an acceptance letter in the form set out in Annex B. Once this has been signed and agreed the final model will be released.

4.5 This will require engagement with HM Treasury, regulators and prospective scheme participants.

4.6 This will include:

* Work with HM Treasury to commission historical data and supporting information from prospective scheme participants to inform the model.
* Analyse the data and supporting information collected to draw key conclusions, update and calculate key expected loss model assumptions. This should include elements like loan realisations, prepayments, loan characteristics as well as the probability of default.
* In line with EU Commission state aid guidance and considering the existing model calculation methodology.
* Run the model to produce a set of results for expected loss. Iterate and produce results based on HM Treasury feedback.
* Embed knowledge in HM Treasury to independently update and run the model, supported by producing a clear set of model guidance documentation.

# MANAGEMENT INFORMATION/REPORTING

* Prior to start, a meeting will take place to discuss the activities that will take place between the nominated supplier leads and HM Treasury officials.
* Reporting will also include contractual work done to date.
* Any further reporting requirements will be discussed with HM Treasury.

# STAFF AND CUSTOMER SERVICE

## The Supplier shall provide a sufficient level of resource throughout the duration of the contract in order to consistently deliver a quality service.

## The Supplier’s staff assigned to the contract shall have the relevant qualifications and experience to deliver the contract to the required standard.

## The Supplier shall ensure that staff understand the HM Treasury’s vision and objectives and will provide excellent customer service to HM Treasury throughout the duration of the contract.

# CONTRACT MANAGEMENT

## Attendance at Contract Review meetings shall be at the Supplier’s own expense.

# LOCATION

## The location of the Services will be carried out in Central London.

## No travel and subsistence (T&S) will be reimbursed.

## The Supplier will be required to be based at their own premises.

**ANNEX B – Model realease letter**

The Directors

HM Treasury

[Address]

[Date]

Dear Sirs

**Acceptance Letter for Help-to-Buy guarantee fee modelling support**

We refer to our agreement dated 12/02/2021 relating to the review and refresh by PwC of the 2013 HtB mortgages fee model (the “services”).

We have prepared version 3.0 of the model called [xxx] (the “model”).

This model may now be used by you subject to the terms of the agreement referenced above and our having received your confirmation on the matters set out below.

You agree that

· through reviewing and testing the models, it is in accordance with your requirements.

· we have completed the services.

Please confirm your agreement to the terms of this letter by returning a signed copy of it to us.

Yours faithfully

For and on behalf of PricewaterhouseCoopers LLP

**Copy letter to be returned to PricewaterhouseCoopers LLP**

I accept the contents of this letter for and on behalf of HM Treasury.

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Signed

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Position

……………………………………………………………………….

Date