

**ORDER**

ORDER NO: <b>SER/ 0708</b>	Date of Order: <b>21 September 2017</b>
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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>Tel: 0121 644 7745 Mobile: +44 7701049885 E: colin.green@ofwat.gsi.gov.uk</p>	<p>TO (Contractor):</p> <p>PA Consulting Services Ltd 123 Buckingham Palace Road London SW1W 9SR United Kingdom</p> <p>Contractor's representative: <span style="background-color: black; color: black;">[REDACTED]</span></p> <p><span style="background-color: black; color: black;">[REDACTED]</span></p>
<p>SERVICES TO BE DELIVERED TO:</p> <p>Colin Green Ofwat London Office, Bloomsbury House, 21 Bloomsbury Street, London, WC1B 3HF.</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, and PA Consulting Services Ltd with effect from 1 September 2015; the Customer's Invitation to Tender (ITT) for Interim Regulatory Economics and Policy Advisor, issued on the mytenders website on 24 August 2017, the Contractor's Proposal dated 11 September 2017; and any enhancements thereto and provisions expressly listed herein.</p>	

## Description of Services Requirement:

Interim Regulatory Economics and Policy Advisor (PROC.04.0124)

The interim role will support the design work-stream to refine the wholesale price control proposals in the final PR19 methodology document to ensure that they are robust, have a clear and strong strategic narrative and consistent with the four PR19 key themes of great customer service, resilience, affordable bills and innovation.

The services will include preparing material for policy papers, attending internal meetings and developing sections of the methodology and appendices, reviewing and assessing work across the team and making recommendations as required. The services will also include supporting the assessment of companies' initial allocations of the bioresources RCV after submissions arrive on 29th September 2017.

## Service Category

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

## Contract Period

The Commencement Date shall be 28 September 2017.

The expiry date is 15th December 2017; unless extended or terminated earlier in accordance with the Contract.

## Charges

The price for the project is **£54,250**, being the maximum amount payable to the Contractor for completion of the project, the 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 and the Tender submission by the Contractor dated 11 September 2017.

Where the resource costs incurred by the Contractor in performing the services falls below the 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
- Value Added Tax.

## Daily Charge Rates

Consultant	Framework Rank	Day Rate (£)	Consultant Days	Total (£)
[REDACTED]				54,240

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.

Travel expenses will be paid extra with the agreement of the Customer representative and in compliance with Appendix A.

### Key Deliverables

Ofwat's key deliverable is publication of a robust PR19 final methodology document on 13 December 2017.

The outputs and deliverables will vary over the course of the assignment but will require the contractor to work with the Design Director and design work-stream teams to deliver a robust policy decisions, supporting the development of relevant contributions for the methodology and appendices, reviewing and assessing work across the team and making recommendations as required. There will be particular focus on the price control and incentive framework where there are greater uses of markets (water resources, water trading, and bioresources).

### 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. Values for payment shall be days worked in a calendar month.

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 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 and referred to 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 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>	
<b>Position</b>	
<b>Signature</b>	
<b>Date</b>	21 September 2017

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

<b>Name</b>	David Bladi
<b>Position</b>	Senior Director
<b>Signature</b>	
<b>Date</b>	21/9/17

## Appendix A - Travel and Subsistence rates

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

