

Appendix B – O'wat'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.

OFFICIAL: COMMERCIAL - SENSITIVE

The Parties heroby 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	ASSOCIATE DIRECTOR
Signature	[REDACTED]
Date	06/12/16

For and on behalf of the Customer:

Name	LINDA BLACK
Position	Senior Director / VPO
Signature	[REDACTED]
Date	24/12/16

Appendix A - Break-down of the Contract Price

Task	Activity					Frontier experts	Total days
Task 1	Initiation meeting	0.5	0.5	0.5			1.5
Task 2	Analysis: Develop options and assessment criteria	3	5	5			22
Task 3	Workshop with Otwal	0.5	1	1			3.5
Task 4	Refine analysis: Options and assessment criteria	0.5	2	3			9.5
Task 5	Discuss draft findings with Otwal	0.5	1	1			3.5
Task 6	Prepare draft report and slide pack	1	1	2			7
Task 7	Finalise comments from Otwal						
Task 8	Presentation to Otwal staff and slide pack	0.5	0.5	1			2.5
Task 9	Prepare final report and slide pack	0.25	0.5	1			1.75
Task 10	Post-project feedback and lessons learned						0
	Estimate input time in days	6.75	11.5	14.5	15.5		51.25
	Day rate based on maximum Otwal framework rates	£ 3,840	£ 2,560	£ 1,760	£ 1,280		£ 9,440
	Total (before discount)	£ 25,920	£ 29,440	£ 25,520	£ 19,840		£ 100,720
	Final Contract Capex Price discount and advice from Frontier experts free of charge (excluding VAT)						£59,884

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 Accommodation must be in accordance with the travel and accommodation rates as attached at Appendix B (rates are subject to changes, the Customer will notify the Contractor of any changes that may occur from time to time). Any changes to be rates will 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	Description	Dates (indicative)
1	Interim outputs	TBA
2	Draft report	3-Feb-17
3	Ofwat comment back to supplier on the draft report	14-Feb-17
4	Presentation to Ofwat staff & presentation slide pack	21-Feb-17
5	Final report	28-Feb-17
6	Post-project feedback and lessons learned	W/C 27 February 2017

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.

Deliverables/Milestones	Percentage payment of Capped Price
On acceptance of the interim output (task 1 and 2)	20%

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On acceptance on the draft report	20%
On acceptance of the final report, presentation and post-project feedback and lessons learned	50%
On completion of the presentation and Q&A session with Ofwat staff	10%

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.

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.

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ORDER

ORDER NO: SER/0632

Date of Order: 11 November 2016

(To be quoted on all correspondence relating to this Order)

<p>FROM (Customer): Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B5 4UA</p> <p>Customer's representative: Dena Barasi</p> <p>T: +44 (0) 121 644 7500 DDI: +44 (0) 121 644 7625 E: Dena.Barasi@ofwat.gsi.gov.uk</p>	<p>TO (Contractor): Frontier Economics Limited Mid City Place 71, High Holborn London WC1V 6DA Contractor's representative: [REDACTED]</p> <p>www.frontier-economics.com</p>
<p>SERVICES TO BE DELIVERED TO:</p> <p>Where necessary, as above and/or Ofwat London Office</p>	<p>INVOICE ADDRESS: finance@ofwat.gsi.gov.uk or Finance Team Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B4 5UA</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 Frontier Economics Limited effect from 1 September 2015; the Customer's Invitation to provide a Proposal dated 14 October 2016 and clarification question dated 19 October 2016, the Contractor's Proposal dated 3 November 2016 and any enhancements thereto and provisions expressly listed herein.

Description of Services Requirement:

Performance Commitments and Outcome Delivery Incentive Rates (PROC.01.0527)

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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 21 November 2016.

The expiry date is 3 March 2017, unless extended or terminated earlier in accordance with the Contract.

Charges per Working Day

The table below provides the charges per Working Day for the Key Personnel Invoked in the performance of the Services.

Framework Grade	Maximum charge per Working Day* (£) for Framework	Charges per Working Day** (£)
Director / Partner	£3,840	£3,840
Managing Consultant	£2,560	£2,560
Senior Consultant	£1,760	£1,760
Junior Consultant	£1,280	£1,280

Contract Price

The capped Contract Price for the project £59,654. A break-down of the capped 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.

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