Framework Schedule 1 (Specification)

Part L Spend Analysis and Recovery Services (SARS) URNs 15.0-19.0

Definitions

These definitions shall apply to all lots within this Part L

Term	Definition
Buyer's Master Vendor File	The data file provided by the Buyer to the Supplier that provides the necessary data about the relevant OSP, for the Supplier to deliver the Service
Draft Letter	has the meaning given in clause 3.1.2 of Framework Schedule 1 (specification), Part L Spend Analysis and Recovery Services
Review	means the Service URN selected from Framework Schedule 1 (specification), Part L Spend Analysis and Recovery Services
Service Credits	credits payable or paid by an OSP to the Buyer
Standard Letter of Authority	is the letter utilised by the Supplier to engage with any OSPs required to deliver the Service as per this annex 1 of this Framework Schedule 1 (Specification), Part L Spend Analysis and Recovery Services (SARS) URNs 15.0-19.0,
Statute Of Limitations Act 1980	means the The Limitation Act, 1980
VAT Rates	value added tax rates as provided for in the Value Added Tax Act 1994 or any further updates to this Act;

1 Key Deliverables for all lots 15.0- 19.0

a. The Supplier will perform a historical analysis of the Buyers accounts payable transaction data and systems, Other Service Provider (OSP) invoices, credit notes and payments in order to identify, investigate, report and recover any sums that have been overpaid or underpaid to the Buyer, its OSP or HMRC for example in respect of overpaid or underpaid

b. The Supplier will provide accurate effective analysis of the Buyer's systems and processes to identify opportunities for efficiencies and more effective future processing.

c. The Supplier shall provide effective MI and reporting, ensuring the Buyer is kept appraised of progress, risks and issues.

d. The Supplier shall provide Supplier Staff with the required experience, technical capability and seniority to deliver the Services effectively and efficiently.

1.1 The SARS services comprise of the following 5 lots of which the Supplier may deliver 1 or more;

1.1 **Accounts Payable Review (Lot 15) URN 15.0**

1.1.1 **Statement Review**: The Suppliers will conduct a review and comparison of the Buyers ledgers and trading accounts to identify, report and recover any unallocated amounts, credit notes or other credit balances due back to the OSP. This will not include balances already known to The Buyer or in the process of being 'recovered' by the OSP.

1.1.2 **Duplicates and Payment Error Review**: The Suppliers will also conduct a review of historic OSP invoices and payments to identify, report and recover any instances of payment errors through the incorrect or erroneous processing of invoices and the subsequent payments made. This process will require an extract of the relevant invoice and the OSP reference and payment data from The Buyer's financial systems to be supplied to The Supplier in order for analysis to be conducted.

1.1.3 **VAT Error Review:** The Supplier will perform an analysis of Buyer accounts payable data, transactions and the OSP invoices to identify any instances where VAT has been incorrectly input into the Buyers Accounts Payable system.

1.2 **Contract Compliance General Review (lot 16) URN 16.0** - The Supplier will review the contracts and related data held by the Buyer with its OSPs for the supply of goods and services. The review shall identify, investigate, report and recover any overpayments or under-recovered balances due to The Buyer because of OSP non-compliance or failure to implement the full benefit of negotiated agreements, including but not limited to; pricing, discounts, volume and/or value related bonuses and Service Credits. This will not cover any services within the scope of Contract and Compliance Specialist Review lots.

1.3 **Contract and Compliance Specialist Review (lots-)** The Supplier shall review specific areas of Procurement as required by The Buyer to identify, report and recover any amounts identified as overpaid, overcharged or erroneous. There are 3 Contract Compliance Specialist lots

- Utilities Spend Recovery Review (lot 17) URN 17.0
- Telecommunications Spend Recovery Review (lot 18) URN 18.0
- Specialist VAT Review (Lot 19) URN 19.0

General Requirements

Process

1.4 The General Requirements listed below relate to each of the lots (lots 15-19)

1.5 The Supplier and The Buyer will agree the scope and scale of each area(s) for review during Implementation, the minimum requirement for inclusion within this will be;

- The number of years of retrospective Buyer data to be audited
- The OSPs on The Buyer's Master Vendor File that will be included in the audit
- Outcomes and priorities for the Review, e.g. upcoming contract expiry; tier 1 or 2 OSPs; identified or perceived areas of failure, poor performance or non-compliance.
- Identified stakeholders in the project.
- Buyer MI and reporting requirements
- Key points of contact and escalation within The Buyer and The Supplier organisations

1.6 The Supplier shall conduct a thorough analysis of all identified data received from the Buyer or any OSP as part of the audit and identify any anomalies in OSP charges, payments or agreements which have resulted in The Buyer having missed, miscalculated, overpaid or being overcharged by an OSP.

1.7 The Supplier shall report findings, overcharges and undercharges to The Buyer.

1.8 The Supplier will present all findings and sums eligible for recovery to The Buyer for authorisation prior to proceeding with the process of recovering these sums from the OSP.

1.9 The Supplier shall;

- present the OSP with any findings and any supporting documentation or evidence to facilitate the recovery of sums due to The Buyer
- provide regular updates at a frequency agreed with The Buyer in writing, providing details and evidence of recovery opportunities and the progress of the audit.
- agree in principal with the OSP any recovery and repayment from the OSP or alternative method of recovery.
- seek written authorisation from The Buyer prior to commencing any recovery action
- agree the method of recovery with The Buyer prior to proceeding with the recovery of overpaid sums from the OSP.
- effect recovery from the OSP.

1.10 The Supplier will not invoice the Buyer for Services until the Buyer has received the benefit of the recovery process in the form of a cash recovery, credit note, or another agreed method or receipt that is agreed by the Buyer in writing..

Analysis and Continuous Improvements

1.11 The Supplier shall analyse all information provided by The Buyer including but not limited to processes, systems, controls, specifications, agreements, invoices, payments, data and findings from any review, as specified by The Buyer within their Call-Off Contract

1.12 The Supplier shall identify any areas of system or process that create compliance risks to the Buyers relevant policy or processes, and report these to The Buyer in accordance with the Buyer's Call Off Contract

1.13 The Supplier shall report on and make recommendations to the Buyer for potential costs savings, efficiencies, system and process improvements to mitigate risks and / or new controls to enable improved compliance with the Buyer's relevant policies and processes.

Reporting

1.14 The Supplier will be required to report to the Buyer on the recovery progress on a regular basis, the timing and content to be agreed with the Buyer, but at least fortnightly,and produce a final report to the Buyer detailing all findings and recommendations.

1.15 The format and layout of the report shall be agreed between The Supplier and The Buyer within 10 working days of the commencement date of the Call-Off Agreement.

1.16 The Buyer and The Supplier will discuss the fortnightly recovery progress report as per Paragraph 1.14 above within 3 working days of it being issued unless specified by The Buyer, to discuss any actions or issues and agree further actions if required.

1.17 The Supplier will seek email confirmation from the Buyer agreeing the recoveries from the Service and associated Charges for a given period. This can be either monthly or quarterly as agreed with the Buyer. The supplier will then promptly issue an email copy of this confirmation to CCS

Final Report:

1.18 The Supplier shall deliver a final report within 2 weeks of the completion date of the Call-Off agreement, which will include the following as a minimum:

- applied strategy - what the Supplier has done to deliver the Service
- recovery methodology - How the Supplier went about collecting any monies due to the Buyer
- a summary of items recovered, e.g. money, credit notes, VAT.
- identification of any consistent issues affecting the Buyer's systems, processes or procedures, the root causes and any countermeasure recommendations;
- any process and control issues identified;
- recommendations for improvement to the Buyer's systems, processes or procedures;
- performance metrics of the purchase-to-pay process e.g. how quickly and how often Suppliers are paid correctly and on time.
- review any outstanding actions and agree timescales with the Buyer for the action to be completed;
- identification of future savings opportunities for the Buyer
- recommend any further areas for review
- lessons learnt

2 SARS Lots Additional Specific Requirements

2.1 The additional specific requirements that are to be performed by the Supplier, in addition to the above general requirements are detailed in section 3 to section 6 below. The additional Buyer Service requirements including any further specific required reference to frequency, format and timings will be detailed within Buyer Call-Off Contracts.

3 Accounts Payable Review

3.1 The Supplier shall perform the review in accordance with the stages set out below;

3.1.1 The Supplier will provide The Buyer with a data request detailing all data required to perform the agreed review.

3.1.2 The Supplier will provide The Buyer with a template of the Draft Letter or text to be sent to The Buyer's OSP requesting details of 'balances' and transactions between The Buyer and The OSP.

3.1.3 The Buyer will agree and authorise the content and use of the Draft Letter or reserve the right to alter or adjust in agreement with The Supplier, in writing.

3.1.4 The Supplier will send by post or email the agreed and authorised Draft Letter to those OSPs agreed between The Buyer and The Supplier.

3.1.5 All responses and queries from the OSPs will be dealt with by The Supplier, the details of which must be made available to the Buyer promptly on written request.

3.1.6 The Supplier will analyse invoice/payment data extracted from The Buyer's internal systems to identify and report payment errors/duplicated payments potentially made to the OSP by the Buyer.

3.1.7 The Buyer shall provide access to the Buyers invoice archive and finance system for validation of potential payment errors/duplicated payments or establish and agree alternative methods with The Supplier.

3.1.8 The Supplier shall identify all balances/potential duplicate payments which require further investigation or progress and promptly advise the Buyer of these in writing.

3.1.9 The Supplier shall report opportunities in writing to the Buyer on an agreed frequency, for authorisation from the Buyer to proceed with any investigation or action

3.1.10 The Buyer shall authorise or exclude opportunities for The Supplier to progress and advise the Supplier in writing..

3.1.11 The Buyer shall instruct the Supplier, in writing, on the recovery method to be used by the Supplier.

3.1.12 The Supplier shall contact The Buyer's OSP and negotiate repayment, recovery of credit notes/Debit notes, or agree to an alternative recovery method if permitted by the Buyer in writing.

3.1.13 The Supplier, on request from the Buyer, shall promptly provide supporting documentation in writing, for each claim including, but not limited to; email communications, credit notes, confirmation of repayment and any other pertinent documentation shared between The Supplier and The Buyer's OSP, to inform discussions with the Buyer about the Service and recovery of money due to the Buyer.

3.1.14 The Supplier will not invoice the Buyer for Services until the Buyer has received the benefit of the recovery process in the form of a cash recovery, credit note, or alternative as agreed with the Buyer in writing

Specialist Reviews

4 Utilities

4.1 The Supplier will perform a thorough and detailed analysis of all invoices, payments, and transactions relating to supply of electricity, gas, and water (clean and waste) to the Buyer.

4.2 The Supplier will review up to 6 years of historical data in compliance with the Statute Of Limitations Act 1980, or less if so directed by the Buyer within their Call-Off Contract..

4.3 The Supplier will provide a detailed data request to the Buyer at the Call-Off Start Date which may include, but not be limited to: access to the Buyer's online billing portal, digital or hard copy invoices not available online, supervised site access if required.

4.4 The Supplier will utilise the Standard Letter of Authority as per annex 1 of this Part L when engaging with the Buyer's OSPs.

4.5 The review must include, but not limited to the analysis of;

- tariff analysis
- distribution charges
- transmission charges

- metering charges
- VAT
- climate change levy
- environmental costs
- capacity charges
- data collection charges
- water drainage charges

5 Telecoms

5.1 The Supplier will perform a thorough and detailed analysis of all aspects of invoicing, payments and transactions relating to the third party supply of fixed line and mobile telecoms service, and any others as specified by the Buyers Call Off Contract.

5.2 The Supplier will review up to 6 years of historical data in compliance with the Statute Of Limitations Act 1980, or less if so directed by applicable law or the Buyer.

5.3 The Supplier will provide a detailed data request to the Buyer at contract commencement which may include, but not be limited to: access to theBuyer's online billing portal, digital or hard copy invoices not available online, supervised site access if required.

5.4 The review must include, but not limited to the analysis of the following which will have the meaning as defined in the relevant contract between the Buyer and the OSP;

- public switch telephone network (PSTN) lines
- call plans
- multi-protocol label switching (MPLS) / ethernet
- leased line services
- maintenance charges
- mobile voice/data charges
- Other areas of overcharging, such as incorrect VAT classification and input, redundant or non-existent services, bill calculation errors, duplicated bills, unclaimed credits and unallocated amounts relating to the supply of Fixed Line and Mobile Telecoms.

6 Specialist VAT

6.1 The Supplier shall have a detailed, current, understanding of VAT legislation within The Buyer's Sector

6.2 The Buyer shall be responsible for claiming any VAT recoveries.

6.3 The Supplier shall be able to claim payment for any valid invoice submitted when The Buyer has failed to claim the VAT recoveries.

6.4 The Supplier's review must include, but not be limited to, the analysis of the Buyers;

- input and output VAT
- VAT rates

- VAT exemption calculations

Part L Annex 1

Utilities Lot Letter of Authority

To be printed on Customer Headed Paper: Customer Address
Customer Post Code
Customer contact number
Date:

To Whom it May Concern

Notification of Appointment of "Agent" on behalf of {Buyer Name} with Specific Authorisations

This 'Letter of Authority' confirms that {Customer Name} (The Principal) has appointed {Supplier Name} (The Agent) to act as its Agent with regard to Energy & Water within the limitations set by the terms of the Spend Analysis & Recovery Services Contract (RM6226). The appointment will commence on {xx/xx/xxxx} and will terminate on {xx/xx/xxxx} (maximum of one calendar year), unless revoked by the Principal. This 'agency' is governed by English Law, specifically The Law of Agency.

The Agent {Supplier Name} is PERMITTED to act on behalf of {Customer Name} for the following activities only –

1. Obtaining consumption and billing data for the purposes of conducting consumption and cost analysis.
2. Obtaining supply price quotations from energy suppliers for consideration/ acceptance by the Principal 'only'.
3. Claiming / obtaining refunds from energy suppliers on billing 'over-charges' following analysis by the broker {Supplier Name}

The Agent {Supplier Name} is NOT PERMITTED to act on behalf of the Principal {Buyer Name} for any of the following activities –

1. Obtaining contractual details (contract durations and terms) for existing energy supplies
2. Terminating existing supply contracts
3. Accepting supply contracts / prices on behalf of the Principal {Buyer Name}
4. Notifying energy suppliers of or initiating "Change of Tenancies" (COT's) or Novations
5. Notifying energy suppliers of or initiating "Change of Address" for any of our {Buyer Name} accounts or billing addresses
6. Any OJEU procurement activities / notices

Authorised on behalf of:

Company (Customer) Name:

Signature:

Print Name:

Position Held:

Date:

This agency agreement is subject to specific indemnities and warranties provided by the Agent, (Supplier Name) to the Principal (Buyer Name).