

**COMMUNITY HEALTH PARTNERSHIPS**

**and**

**SUPPLIER**

**Provision of Soft FM Building Services**

**REF: RM6232**

**Lot 3C**

**Call-off Schedule 5 (Pricing Details)**

**Part A – Fixed Fee Pricing**

This part of this schedule shall apply where the Fixed Fee Pricing option is selected in the Order Form.

1. **Calculation Of The Charges**
	1. The fixed fee Charges shall be:
		1. calculated on the basis of the rates and prices specified in the Fixed Fee Pricing Matrix as submitted at Further Competition, and based on the principles in Annex 1;
		2. paid in respect of Service Months for full and proper performance by the Supplier of its obligations under the Call-Off Contract; and
		3. paid by way of monthly payments ("**Monthly Payments**") which shall be calculated in accordance with paragraph 1.2 below.
	2. Subject to paragraphs 1.3 and 1.4 below, the Monthly Payment (MPn), in respect of a Service Month “n” shall be calculated in accordance with the following formula:

where:

|  |  |
| --- | --- |
| MPn | is the Monthly Payment to be determined in respect of the Service Month “n”; |
| BMPn | is the Baseline Monthly Payment for Service Month “n” which is calculated in accordance with paragraph 2 below; |
| PTCn-1  | is the Pass Through Costs due in respect of the Previous Service Month which is calculated in accordance with paragraph 3 below;  |
| WO n-1 | is the total price for Work Orders which have been completed in the Previous Service Month which shall be calculated in accordance with paragraph 4 below; |
| TRP n-1 | is the monthly TUPE risk premium payable for the Previous Service Month calculated in accordance with Call-Off Schedule 6 (TUPE Surcharge) ("Monthly TUPE Risk Premium") and |
| PAn-1 | is the KPI Credit in respect of the Previous Service Month off set against the Earn Back Amount due (if applicable) for the current Service Month (or where the Order Form states that KPIs are not applicable then PAn-1 shall be deemed to be £0). |

* 1. The Monthly Charge due in the final Service Month during the Contract Period will be calculated in accordance with the following formula which will supersede the formula in paragraph 1.2 above (and all terminology used in the following formula will have the same meaning as provided for in paragraph 1.2 above):

* 1. Following the final Service Month during the Contract Period a balancing payment will be calculated to account for:
		1. the KPI Credit calculated in respect of the final Service Month;
		2. the Pass Through Costs incurred within the final Service Month;
		3. the Monthly TUPE Risk Premium payable in respect of the final Service Month;
		4. any Earn Back Amount payable in respect of the final Service Month; and
		5. the total price for Work Orders which have been completed in the final Service Month,

and such balancing payment will be paid to, or deducted from, the sums due to the Supplier following the assessment of the Supplier’s performance in the final Service Month.

* 1. The Baseline Monthly Payment shall include all costs and expenses relating to the Deliverables and/or the Supplier's performance of its obligations under this Call-Off Contract and no further amounts shall be payable by the Buyer to the Supplier in respect of such performance except in relation to any amounts which are expressly recoverable as part of a Work Order payment or Pass Through Cost.
1. **Baseline Monthly Payment**
	1. The baseline monthly payment ("**Baseline Monthly Payment**") payable in respect of a Service Month shall be set by reference to the Fixed Fee Pricing Matrix as submitted at Further Competition.
2. **Pass Through Costs**
	1. Where the Order Form indicates that the Supplier is entitled to claim Pass Through Costs then:
		1. only those types of Pass Through Costs set out in the Order Form shall be recoverable;
		2. the Pass Through Costs shall only be recoverable where they are incurred in accordance with the guidelines that the Buyer may issue to the Supplier from time to time;
		3. the Supplier shall not be entitled to charge any additional amount on top of the Pass Through Costs including any margin, mark up or uplift costs; and
		4. any claim for Pass Through Costs shall be supported by such documentation as the Buyer may request from time to time.
3. **Work Orders**
	1. The price for Work Orders shall be calculated using the mechanism set out in Schedule 25 (Billable Works & Projects).
4. **Indexation**
	1. Any amounts or sums in this Call-Off Contract which are expressed in the Order Form to be "subject to Indexation" shall be adjusted in accordance with the provisions of this Paragraph 5 to reflect the effects of inflation.
	2. Where Indexation applies, the relevant adjustment shall be:
		1. applied on the dates set out in the Order Form (each such date an **"Adjustment Date"**); and
		2. determined by multiplying the relevant amount or sum by the percentage increase or changes in the Payment Index published since the previous Adjustment Date.
	3. Except as set out in this Paragraph 5, neither the Charges nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or Subcontractors of the performance of their obligations.
	4. If the Payment Index has not been published for the relevant month as required for this calculation then the last published value of the index available at the Adjustment Date shall be used.
	5. Where the Payment Index is no longer published, the Buyer and the Supplier shall agree a fair and reasonable replacement that will have substantially the same effect.
5. **Pricing For Variations**
	1. In addition to the process outlined in paragraph 24 of the Core Terms, any change in the Charges in relation to a change in the number of buildings within the Buyer Premises or changes to a Deliverable, shall be aligned with and shall use the rates and prices set out in the Fixed Fee Pricing Matrix as submitted at Further Competition, where applicable.
	2. The Supplier shall be entitled to include the effect this has had on other elements of the Call-Off Contract within any impact assessment which is provided as part of any associated Variation Procedure. The Buyer will consider this as part of the Variation Procedure.
	3. The Supplier is responsible for ensuring that a Data Validation and Asset Verification Audit is undertaken and completed during the Mobilisation Period to verify the Due Diligence Information. Call-Off Pricing revisions for any / all inaccuracies in the Due Diligence Information identified outside of the Mobilisation Period are not permitted.
		1. Notwithstanding Clause 2.8 of the Core Terms, where errors, inaccuracies or omissions in the Service or Asset data provided by the Buyer prior to signature of a Call-Off Contract are identified by the Supplier during the Call-Off Contract Mobilisation Period, the following shall apply:
			1. Where Services under a Call-Off Contract have been priced in accordance with the maximum Framework Price unit-of-measure rate (i.e. the capped rate) under Framework Schedule 3, the Supplier may, using the Variation procedure, request an adjustment to the Call-Off Contract pricing where the Supplier can present written evidence that the Standard Service Pricing classification for the Service, which was provided by the Buyer prior to entering into the Call-Off Contract, was incorrect;
			2. Where Services under a Call-Off Contract have been priced beneath the maximum Framework Price unit-of-measure rate under Framework Schedule 3 (i.e. a more competitive rate has been submitted by the Supplier based on data provided at Call Off) , the Supplier may, using the Variation procedure, request an adjustment to the Call-Off Contract pricing where the Supplier can present written evidence that the Due Diligence Information provided by the Buyer prior to entering into the Call-Off Contract contained errors, inaccuracies or omissions that led to incorrect pricing by the Supplier. Where a variation is agreed the Call Off price shall not exceed the capped unit-of-measure rates provided at Framework; and
			3. Where Services where no Framework Contract Pricing unit-of-measure rate applies are ordered under a Call-Off the Supplier may, using the Variation procedure, request an adjustment to the Call-Off Contract pricing where the Supplier can present written evidence that the Due Diligence Information provided by the Buyer prior to entering into the Call-Off Contract contained errors, inaccuracies or omissions that led to incorrect pricing by the Supplier.
6. **Changes To Minimum / Living Wage**
	1. Notwithstanding Clause 24.5 (Change in Law) of the Core Terms, where the Supplier can provide evidence in the form of an Impact Assessment that a percentage increase to the Mandatory Wage in a given period has exceeded any percentage increase for the same period in the Payment Index detailed in the Order Form, the Supplier may request an increase in the Charges by using the Variation process under Clause 24.
	2. Suppliers must include in their Impact Assessment evidence of the:
		1. Supplier Personnel affected by the Mandatory Wage Increase and the Services that they provide;
		2. affected Supplier Personnel’s current hourly rate of pay; and
		3. the number of hours worked by each of the affected Supplier Personnel.
	3. It is the Buyer’s discretion to accept the Variation request under this Paragraph 7 and must not accept any variation request that:
		1. exceeds the difference between the Indexation Rate and the current Mandatory Wage rate increase for each member of the Supplier Personnel affected by the Mandatory Wage increase;
		2. seeks to increases in the Charges which go beyond the Services affected by the Mandatory Wage increase; and
		3. increases the Charges in respect of those Supplier Personnel on an hourly rate already in excess of the Mandatory Wage (whether or not to maintain differentials between the affected Supplier Personnel and higher paid Supplier Personnel).
7. **Invoicing**
	1. In addition to its obligations in Clause 4 in the Core Terms (Pricing and payments) the Supplier shall ensure that each invoice it prepares in relation to the Charges:
		1. specifies the period to which the invoice relates;
		2. specifies the Deliverables to which the invoice relates;
		3. sets out the calculations used to reach the amount of the Charges that are being invoiced;
		4. separately itemises any expense or taxes said to be payable by the Buyer; and
		5. specifies the Supplier's VAT code.
	2. The Supplier shall prepare a draft of each invoice and supporting information for each Service Month and submit it to the Buyer within 14 days (or such other period as the Buyer agrees) following the start of the Service Month. Following receipt of such draft invoice the Buyer shall be entitled to reject it where it does not comply with the requirements of this Call-Off Contract. The Supplier will promptly respond to any queries that the Buyer has in relation to a draft invoice. If the Buyer approves the invoice (such approval not to be unreasonably withheld) then it will notify the Supplier and the Supplier shall be entitled to prepare a final form of that invoice in the approved form. The Supplier shall only be entitled to issue and the Buyer shall not be obliged to pay for any final form invoice which has been issued in accordance with this Call-Off Contract and specifically this procedure.
8. **Extension Period**
	1. In the event that the Buyer exercises its right under clause 10.1.2 of the Core Terms to extend the Call-Off Contract for the Extension Period, the pricing methods and payment provisions set out in the Call-Off Schedule 5 Part A shall continue to apply for the duration of the Extension Period.
9. **Payments Due On Termination**
	1. Upon termination of the Contract by the Buyer in accordance with clause 10.2.2 Core Terms (and for the avoidance of doubt including partial termination under 10.7), the amount that is due for payment will be as set out below:
		1. the Charges for Deliverables which have been properly provided by the Supplier in accordance with the terms of the Contract;
		2. any reasonable and proven direct costs incurred by the Supplier for removing Supplier Equipment and/or demobilising;
		3. any reasonable and proved unrecovered investment costs directly applicable to the provision of the Deliverables, if applicable; and
		4. any other Costs reasonably incurred in expectation of completing the whole of the Services and any amounts retained by the Supplier,

provided that such amounts shall only be recoverable if and to the extent that the Supplier has used all reasonable endeavours to minimise them.

**Part** **B - Target Cost pricing**

## **REDACTED TEXT under FOIA Section 43, Commercial Interests**

This part of this schedule shall apply where the target cost pricing option is selected in the Order Form

1. **Calculation Of The Charges**
	1. The Target Cost Charges shall be:
		1. calculated on the basis of the rates and prices specified in the Target Cost Pricing Matrix as submitted at Further Competition;
		2. paid in respect of Service Months for the costs incurred by the Supplier of its obligations under the Call-Off Contract; and
		3. paid by way of Monthly Payments which shall be calculated in accordance with paragraph 2 below.
	2. In addition to the target cost Charges, the Supplier shall be entitled to raise an invoice in each Service Month, for Work Orders it has completed in the previous Service Month and such Charges shall be calculated in accordance with paragraph 5 below.
2. **Target Costs**
	1. The Supplier shall only be entitled to recover costs under this paragraph in respect of:
		1. direct employment costs of people employed by it;
		2. direct costs of materials supplied by it in connection with provision of the Deliverables;
		3. deliverables which are sub-contracted; and
		4. any equipment required for the provision of the Deliverables (including any amounts paid for hired equipment and an amount for the use of equipment owned by the Supplier which is the amount the Supplier would have paid if the equipment had been hired).
	2. The Supplier shall not be entitled to recover, as part of its cost assessment (or recover on any other basis) any of the following:
		1. costs which are not justified by the Supplier's accounts and records;
		2. costs which should not have been paid to a Subcontractor or the Supplier in accordance with the Call-Off Contract;
		3. cost of materials or resources not used to provide the Deliverables;
		4. amounts in respect of events which the supplier is required to insure under this Call-Off Contract or other amounts paid by the Supplier to insurers;
		5. costs for preparation for and conduct of formal dispute resolution proceedings.
		6. works completed in month
3. **Target Price**
	1. The Target Price shall be as set out in the Target Price Pricing Matrix as submitted at Further Competition and the maximum margin which can be added to the Target Costs in order to calculate the Target Price shall be capped at the maximum percentage set out in the Order Form.
4. **Payment Of Target Cost And Target Price**
	1. In respect of the Deliverables provided on a target price basis in a Service Month "n":
		1. the Supplier shall calculate the amount claimed in respect of such Service Month which shall include:
			1. the costs incurred for such Deliverables in the Service Month;
			2. the KPI Credit due in respect of the Deliverables provided in the Previous Service Month set off against the Earn Back Amount due (if applicable) for the current Service Month (or where the Order Form states that KPIs are not applicable then PAn-1 shall be deemed to be £0).
		2. submit a claim to the Buyer for the amount claimed within 14 days following the end of the Service Month n (any costs not claimed by such date shall not be eligible for claim in that Service Month and instead should be submitted in the following Service Month);
		3. the Supplier shall state the basis on which all amounts claimed are calculated and provide all such evidence as the Buyer may request from time to time and without limit the Supplier shall provide:
			1. evidence of hours worked;
			2. proof that payments have been made;
			3. evidence that the costs correspond with the Deliverables provided;
			4. equivalent evidence for any costs incurred by any Subcontractors;
			5. such other records as stated in the Order Form.
		4. all costs claimed by the Supplier shall be calculated at open market or competitively tendered prices with deductions for all discounts, rebates and taxes which can be recovered;
		5. if the Buyer intends to pay less than the claimed amount, it shall notify the Supplier not later than 7 days before the due date for payment of that amount by stating the amount considered to be due and the basis upon which that sum is calculated;
		6. the Buyer shall not withhold payment of a claimed amount unless it has notified the Supplier in accordance with paragraph 4.1.4 above; and
		7. the maximum amount which can be claimed by the Supplier shall be capped at the Target Price; and
		8. where the actual costs incurred are less than the agreed Target Cost than the actual price paid shall be assessed in accordance with paragraph 4.2 below.
	2. Following the completion of Deliverables provided on a target price basis, the Buyer shall assess the total price to be paid and it shall be calculated in accordance with the following table:

|  |  |
| --- | --- |
| N/A  | N/A to be paid to the Supplier |
| N/A  | N/A  |
| N/A  | N/A  |

1. **Work Orders**
	1. The price for Work Orders shall be calculated using the mechanism set out in Schedule 25 (Billable Works & Projects).
2. **Invoicing**
	1. In addition to its obligations in Clause 4 in the Core Terms (Price and payments) the Supplier shall ensure that each invoice it prepares in relation to the Charges:
		1. specifies the period to which the invoice relates;
		2. specifies the Deliverables to which the invoice relates;
		3. sets out the calculations used to reach the amount of the Charges that are being invoiced;
		4. separately itemises any expense or taxes said to be payable by the Buyer; and
		5. specifies the Supplier's VAT code.
	2. The Supplier shall prepare a draft of each invoice and supporting information for each Service Month and submit it to the Buyer within 14 days (or such other period as the Buyer agrees) following the end of the Service Month. Following receipt of such draft invoice the Buyer shall be entitled to reject it where it does not comply with the requirements of this Call-Off Contract. The Supplier will promptly respond to any queries that the Buyer has in relation to a draft invoice. If the Buyer approves the invoice (such approval not to be unreasonably withheld) then it will notify the Supplier and the Supplier shall be entitled to prepare a final form of that invoice in the approved form. The Supplier shall only be entitled to issue and the Buyer shall not be obliged to pay for any final form invoice which has been issued in accordance with this Call-Off Contract and specifically this procedure.

**Annex 1 – Further Competition Pricing Matrix Principles**

