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**Provision of Consultancy for PFI Contract Management Programme**

**TO**

**Infrastructure and Projects Authority**

**From**

**Deloitte LLP**

**Contract Reference: CCCC20B85**

12/08/2013

12/08/2013

**FRAMEWORK SCHEDULE 4**

**CALL OFF ORDER FORM**

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 Consultancy for PFI Contract Management Programme 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 Template Call Off Order Form and the Call Off Terms.

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| Order Number | **To be confirmed at Contract Award** |
| From | **Infrastructure and Projects Authority**  **("CUSTOMER")** |
| To | **Deloitte LLP**  **("SUPPLIER")** |

SECTION B

1. call off contract period

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|  | **Commencement Date**: Wednesday 24th February 2021 |
|  | **Expiry Date**:  End date of Initial Period: 23rd February 2022  The period to 31st March 2021 will be as per the milestones, with further work subject to budgetary approval. You should note that the Authority cannot guarantee volumes of any work that may be allocated. |

1. Services

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| 2.1. | **Services required**:  Please refer to Annex 1- Statement of Requirements  For clarity the Supplier has been appointed to provide support the requirements described under Lot A only.  The Authority will revisit scope, deliverables, timings and cost estimates at the beginning of the assignment to adapt it to the particular contract under review and any covid restrictions on site access or management access.  The Authority will allocate the initial requirement for contract reviews and expiry health checks (in batches of 10) in order of the most economically advantageous tender in respect of the expiry health check evaluation. There is a possibility that due to the resurgence of Covid-19, or other reasons, some health checks or reviews may not go ahead in the period to 31 March 2021. The Authority do not guarantee that in total they will undertake 3 or 4 deep dive contract reviews or up to 30 Health Checks via this framework. |

1. PROJECT Plan

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| **3.1.** | **Project Plan**:  Not required |

1. contract performance

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| **4.1.** | **Standards**:  In Clause 11 (Standards and Quality) of Call Off Terms  Whilst the Supplier may share with the Customer oral advice, working papers or draft versions of any deliverable to obtain Customer input or feedback, the Supplier will do so under the understanding that the Customer will only rely on our final form deliverables. “Project Specific IPR Items” as referred to in the Call-Off Terms, shall be defined as the final tangible deliverables only and shall not include any drafts, working papers or other materials, including any methodologies, tools or other Supplier Background IPR or third party intellectual property.  Following the Customer acceptance of the final deliverables, the Supplier will have no responsibility for updating the final deliverables or to monitor their continuing suitability for the Customer’s use.  The Project Specific IPR Items are for the Customer’s sole benefit and for the purpose set out in this Contract or such other purpose as may otherwise be mutually agreed in writing and should not be used for any other purpose. Where the Customer need to share the Supplier deliverables (or extracts thereof) with third parties, the Customer will consult with the Supplier to ensure they contain suitable disclaimers to that effect and that extracts are not misleading.  In carrying out the work, the Supplier will not audit or verify any information provided to them, whether by the Customer or any third party, and will not test any spreadsheets or models provided to the Supplier for robustness. Further, where the Supplier prepare their own spreadsheets to inform their advice, these will not be deliverables in their own right, even if the Supplier share their modelling with the Customer to explain their advice.  Whilst the Supplier may review and comment on legal agreements, the Supplier is not qualified to provide legal advice. Nor will the Supplier be responsible for carrying out due diligence on or providing a valuation of the Project or providing specialist or technical advice.  The Customer will have a period of 5 days (“Evaluation Period”) after provision of each deliverable to verify (by way of written confirmation from the Contract Manager (“Notification”)) that such deliverable is not deficient unless agreed in writing by both parties prior to the deadline of the deliverable.  If the Notification to the Supplier prior to the expiration of the relevant Evaluation Period states that such deliverable is deficient in any material respect and the Supplier accepts the existence of such deficiency (a “Non-conformity”), the Supplier will agree a timescale to correct such Non-conformity, whereupon the Customer will receive an additional 5 day period (“Verification Period”) commencing upon your receipt of the corrected deliverables to verify that the Non-conformity has been corrected.  The Customer will provide the Supplier with such assistance as we may reasonably require to enable us to verify the existence of and correct a reported Non-conformity.  Each deliverable will be deemed accepted by the Customer if Notification has not been provided, upon expiration of the relevant Verification Period. |
| **4.2** | **Service Levels/Service Credits**:  Not applied |
| **4.3** | **Critical Service Level Failure**:  Not applied |
| **4.4** | **Performance Monitoring:**  Please refer to Annex 1- Statement of Requirements.  KPIS/SLA can be updated/changed with agreement of the Customer as we will revist scope and timings at the beginning of the assignment to adapt it to the particular contract under review and any covid restrictions on site access or management access. |
| **4.5** | **Period for providing Rectification Plan:**  In Clause 39.2.1(a) of the Call Off Terms |

1. personnel

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

1. PAYMENT

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| **6.1** | **Call Off Contract Charges** (including any applicable discount(s), but excluding VAT):  In Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing) |
| **6.2** | **Payment terms/profile** (including method of payment e.g. Government Procurement Card (GPC) or BACS):  For the avoidance of doubt, the total contract value will not exceed £500,000.00 exc. VAT.  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.  REDACTED |
| **6.3** | **Reimbursable Expenses**:  Not permitted except for travel and subsistence are to be charged at Authority rates if any work is required at locations not covered by this main base location. |
| **6.4** | **Customer billing address** (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):  Cabinet Office  PO Box 405  SSCL  Phoenix House  Celtic Springs Business Park  Newport  NP10 8FZ  REDACTED |
| **6.5** | **Call Off Contract Charges fixed for** (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):  A 12 month period from 24th February 2021 to 23rd February 2022. The period to 31st March 2021 will be as per the milestones, with further work subject to budgetary approval. |
| **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 Applied |
| **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

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| **7.1** | **Estimated Year 1 Call Off Contract Charges**:  The sum of up to £500,000.00 (exc VAT) |
| **7.2** | **Supplier’s limitation of Liability** (Clause 37.2.1 of the Call Off Terms);  In Clause 37.2.1 of the Call Off Terms |
| **7.3** | **Insurance** (Clause 38.3 of the Call Off Terms):  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 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

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| **9.1** | **Supplier's inspection of Sites, Customer Property and Customer Assets:**  Not Applied |
| **9.2** | **Commercially Sensitive Information**:  The Supplier considers any information relating to personal information on individuals (CV’s, contact details etc.), information relating to their pricing, information containing details of their cost base particularly non-public details of Supplier’s insurance arrangements, information relating to Supplier’s proprietary information as well as their approach and their methodologies to be commercially sensitive and confidential and exempt from disclosure under the Freedom of Information Act 2000 (“FoIA”).  The Supplier would be grateful to be informed of all requests from third parties for information contained in this document. If, following consultation the Customer does disclose the information the Supplier requests that any disclaimer is reproduced in full in any copies issued.  In addition, the Supplier note that the Government’s Transparency Agenda may require the publication of all tender documents and Government contracts. In accordance with guidance issued by the (as then) OGC in this regard, and the Code of Practice for FoIA, the Customer will need to consult with the Supplier about the redaction of certain parts of the contract, including those areas identified above, for this work and this proposal. |

1. OTHER CALL OFF REQUIREMENTS

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| **10.1** | **Recitals** (in preamble to the Call Off Terms):  Recitals B to E  Recital C - date of issue of the Statement of Requirements: 14th December 2020  Recital D - date of receipt of Call Off Tender: 19th January 2021 |
| **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**:  In Call Off Schedule 8 (Business Continuity and Disaster Recovery)  **Disaster Period**:  For the purpose of the definition of “Disaster” in Call Off Schedule 1 (Definitions) the “Disaster Period” shall be shall be 5 working days. |
| **10.8** | **Protection of Customer Data** (Clause 35.2.3 of the Call Off Terms):  In Clause 35.2.3 of the Call Off Terms. |
| **10.9** | **Notices** (Clause 56.6 of the Call Off Terms):  Customer’s postal address and email address: Cabinet Office, 70 Whitehall  London, SW1A 2AS  REDACTED  Deloitte LLP, 1 New Street Square, London, EC4A 3HQ  REDACTED |
| **10.10** | **Transparency Reports**  In Call Off Schedule 13 (Transparency Reports) |
| **10.11** | **Alternative and/or Additional Clauses from Call Off Schedule 14 and if required, any Customer alternative pricing mechanism:**  Not Applied |
| **10.12** | **Call Off Tender**:  In Annex 2- Call Off Tender |
| **10.13** | **Publicity and Branding (Clause 36.3.2 of the Call Off Terms)**  In Clause 36.3.2 of the Call Off Terms. The following additions apply:  · Supplier must comply with sections 10.3 & 10.4 above; |
| **10.14** | **Staff Transfer**  Not Applied |
| **10.15** | **Processing Data**  Call Off Schedule 17 |
| |  |  |  |  | | --- | --- | --- | --- | | **Contract Reference:** | **CCCC20B85** |  |  | | **Date:** | **9th February 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 name  Worplace address  Workplace Phone Number  Workplace email address  Names  Job Title  Compensation   |  | | --- | | 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 |  |  |  | | |

**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.**

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| **For and on behalf of the Supplier:** | |
| Name and Title | REDACTED |
| Signature |  |
| Date |  |
| **For and on behalf of the Customer:** | |
| Name and Title | REDACTED |
| Signature |  |
| Date |  |

**Annex 1- Statement of Requirements**

1. PURPOSE

1.1 The Infrastructure & Projects Authority (IPA), within the Cabinet Office, has recently set up a Private Finance Initiative (PFI) Contract Management Programme (the “Programme”).

1.2 The Programme’s objectives are to:

1.2.1 Build PFI contract management capability and expertise across the public sector;

1.2.2 Ensure operational contracts are fit for purpose and that the public sector gets what it is paying for; and

1.2.3 Manage the exit from PFI contracts to ensure private sector partners meet their end-of-life obligations and the continuity of public services

1.3 IPA are seeking up to;

1.3.1 Lot A: Three Financial & Commercial Advisers to support the Programme.

1.3.2 Lot B: Three Technical Advisers to support the Programme.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

2.1 The IPA is the government’s centre of expertise for infrastructure and major projects. It sits at the heart of government, reporting to the Cabinet Office and HM Treasury. Its core teams include experts in infrastructure, project delivery and project finance who work with government departments and industry. It supports the successful delivery of all types of infrastructure and major projects; ranging from railways, schools, hospitals and housing, to defence, IT and major transformation programmes. IPA leads the project delivery and project finance professions across government.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

3.1 IPA oversees the operational Private Finance Initiative (PFI) portfolio and provides expert support and advice to departments and contracting authorities.

3.2 IPA has set up a PFI Contract Management Programme to manage the risks in operational PFI projects. The aim of the Programme is that all contracting authorities have the capabilities, knowledge and tools they need to manage their PFI contracts effectively.

3.3 The Programme is divided into 4 projects:

3.3.1 Managing the Exit of PFI Projects;

3.3.2 Operational Contract Reviews;

3.3.3 Building Capability; and

3.3.4 Advice & Support.

3.4 Managing the Exit of PFI Projects: The aim of the managing the exit of PFI projects part of the programme is to produce consistent approaches to managing the exit of PFI projects. IPA intends to assess the readiness for expiry for PFI projects expiring in the next seven years using a Contract Expiry Health Check and develop a public/private sector protocol setting out the behaviour and principles for managing contract expiry.

3.5 Operational Contract Reviews: IPA will assess the performance of a number or PFI contracts and recommend ways to improve their operating performance and to make efficiencies. IPA expects to undertake three or four deep dive contract reviews in the period to 31 March 2021. They will also develop a contract management health check and intend to roll this out across projects to assess their contract management capability on specific projects.

3.6 Building Capability: The objective of this part of the programme is to build capability across the system through support, products, guidance and training. It will produce tools and guidance and will develop a training offer for PFI contract managers.

3.7 Advice & Support: IPA will provide expert advice to support the implementation of contract reviews and contract expiry health checks as well as advice on other commercial issues.

3.8 IPA is now seeking Financial and Commercial Advisers, and Technical Advisers to support their delivery of this Programme. The initial requirements are in undertaking the deep dive contract reviews and providing advice on a series of expiry health checks. Liaison between IPA and its advisers is crucial since each area of potential improvement or cost saving will potentially affect both commercial and technical aspects of the contracts.

3.9

4. DEFINITIONS

Expression or Acronym Definition

IPA Infrastructure and Projects Authority

PFI Private Finance Initiative

5. SCOPE OF REQUIREMENT

5.1 Lot A and Lot B: The Financial & Commercial Advisers and Technical Advisers will support IPA in delivering the PFI Contract Management Programme. The initial areas of required support are in respect of the Contract Review Project and the Contract Expiry Project.

5.3 Lot A and Lot B: Contract Review Project: The objectives of a Deep Dive Contract Review for a specific project are:

5.3.1 To understand what the contract covers in terms of the services and their performance standards, the risk allocation of the parties and the flexibility of the contract to accommodate changes;

5.3.2 To assess the condition of the assets, including health & safety issues;

5.3.3 To assess the performance of the services, identifying areas of poor performance and the associated impact on the payments made to the Supplier;

5.3.4 To understand the financial impact of termination options on the public sector; and the risk reversion that would be associated; and

5.3.5 To identify and deliver service improvement and cost savings/efficiencies.

5.4 The deep dive review is expected to be conducted over a 10 week period and include two weeks of planning, 5 weeks of fieldwork, 2 weeks of report writing and one week of discussion of findings.

5.5 IPA is planning to undertake 3 or 4 deep dive contracts by the end of March 2021.

5.6 Lot A and Lot B: Contract Expiry Project: The Financial & Commercial Advisers and Technical Advisers will provide support alongside IPA in undertaking a number of Contract Expiry Health Checks to assess the readiness of a PFI project to hand back assets and re-procure services. IPA is currently planning to undertake 30 health checks by the end of March 2021 and will require support on several of these as it awaits the onboarding of new staff from its recent recruitment drive.

5.7 The IPA and its advisers will meet the PFI project team and ask a series of contract expiry related questions. Each review takes place over a week with preparation, up to six hours of interviews and report & recommendations writing. The output of the exercise is to gauge the position of expiry positions in the contract, identify potential risks and to make recommendations to the department/ procurement authority.

6. THE REQUIREMENT

LOT A

6.1 Contract Review: The Contract Review Requirement has two components to it:

6.1.1 Contract Review Lead Adviser – Until IPA are resourced to provide the lead role in the review, it would like the Financial & Commercial Adviser to also act as Lead Adviser by pulling together the technical, commercial & financial outputs together and drafting the Project Summary, Report & Action Plan and completing the Opportunities Register; and

6.1.2 Contract Review Financial & Commercial Adviser – to review the contract documents, in particular the Contract between the Procuring Authority & the Supplier (including the payment mechanism) and the financial close model, together with the unitary charge invoices to identify the mechanisms to improve service performance, alter services or identify any possible efficiencies.

6.2 Contract Review Lead Adviser: The Lead Adviser requirement is set out below:

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| --- | --- | --- |
| **Area** | **Subject** | **Element to be Reviewed Under This Assignment** |
| Project Summary | Key project facts and future requirements | The Lead Adviser will prepare a project summary document at an early stage in the process, the purpose of which is to pull together the key facts and issues that are likely to be relevant to the performance and efficiency contract review. They will also consider what the future service requirements are as this may affect the type of changes that the Procuring Authority may wish to make, for instance, the level of flexibility they may require in the future based on expected service demands or how they wish to use its assets in the future. The Lead Advisor will need to engage with the Procuring Authority to ascertain the key facts.    It will cover key facts such as equity ownership (original & current), FM supplier/s, any known contractor losses (e.g. on construction), any previous refinancing, any key variations, any known latent defects and the existence of any current disputes. It should also describe the current payment levels and remaining contract term including the remaining debt outstanding to understand materiality of opportunities going forward.    It will, also, set out the services delivered by the Contractor, the risk transfer and change mechanism to show what the contract covers and how this can be changed. It will explain how services can be altered or removed from the contract.    The summary will be given to the review team members at the start of the review process so that the team has a common understanding of the scope of the project. |
| Opportunities Register |  | Each of the emerging potential service improvement or efficiency/savings opportunities will be considered in more depth by the review team. The Lead Adviser is to hold a workshop with the procuring authority and the review team and then prepare an opportunities register, based on their consideration of the lines of enquiry set out below.    At the workshop the team will:     * Discuss project background and issues; * Identify any actions / areas for further work; and * Prioritise the opportunities for further discussion.     Following the workshops the review team will form a provisional assessment of the viability of each opportunity and seek further information from the procuring Authority and the Contractor where necessary, using its own expertise to quantify the potential opportunities in broad high-level terms.    The Lead Adviser will log all the potential opportunities in an Opportunities Register. |
| Report & Action Plan |  | The Lead Adviser will prepare the Report and Action Plan pulling together the key findings from the technical and the financial & commercial reviews. It will focus on the main lines of enquiry. The report will include project summary information and the opportunities register.    The report will:     * Set out the scope for the potential service improvement or efficiency/saving; * Explain the basis of monetary quantification; and * Set out the next steps required to implement the opportunities.     After consideration of the findings set out in the report, the procuring authority will decide whether to proceed to the next stage; that the potential service improvement or saving areas are ones they wish to implement and that the costs of implementing the savings do not outweigh the benefit.    The lines of enquiry are set out below and provide a generic list of potential service improvements and efficiency opportunity areas to be explored.    Two review work streams will be undertaken, Technical and Financial & Commercial each assessing the relevant lines of enquiry. Liaison between the work streams is crucial since each area of potential improvement or cost saving will potentially affect both commercial and technical aspects of the contracts.    The key lines of enquiry are:    **Assets:**   * Does the asset condition meet contractual standards? * Have there been periods of unavailability? * Are rectification works required? * Is there backlog maintenance? * Is the contractor’s lifecycle fund adequate? * Is the asset fully utilised? * Could the asset generate third party income?     **Services:**   * Are the services being performed to contractual standards? * Is poor performance being addressed, both in terms of rectifying the issue and in terms of levying contractual deductions? * Does the service specification need to be updated for changing user requirements? * Can savings be made by removing services or by altering specifications &/or performance levels? * Can energy savings be made in price &/or volume terms?     **Contract Management:**   * Is the Authority actively managing the contract to ensure they are getting the services they have paid for? * Does a review of help desk and monthly service reports indicate any areas of concern?   **Commercial:**   * Are there any risk allocations that could be altered to realise savings?     **Refinancing/Restructuring:**   * Is there an opportunity to refinance/restructure the project to realise gains for the Authority? * How do the contracted debt terms compare to the current market?   **Termination:**   * Review of financial and deliverability impact of the contractual termination provisions |

6.3 The Lead Adviser outputs are set out below.

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| **Contract Review Lead Advisor Outputs** |
| * Project Summary - A summary of the key facts and issues will be prepared early in the project to circulate to the review team members and will be included in the final report. * Opportunity Register - The Opportunity Register will be attached to the Report & Action Plan. * Report & Action Plan - The report will include the assessments of each of the potential performance and savings lines of enquiry. The report should also include an action plan setting out the next steps to be taken to improve performance and/or implement the efficiencies. |

6.4 Contract Review Financial & Commercial Advisor: The Financial & Commercial Advisor requirement is as set out in the table below.

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| **Area** | **Subject** | **Element to be Reviewed Under This Assignment** |
| Review of the Project Documentation | General | In particular review the following areas to assess potential to improve contract management, services and to implement efficiencies:   * Benchmarking and Market Testing mechanics; * Variations process; * Hand back provisions; * Insurance premium sharing; * Third Party Income; * Change in Law; and * Dispute Resolution.     To assess whether there are any other contract risk allocations that could be altered to realise benefits.    To work with and provide commercial input and assistance to the Technical Advisers as specified in their scope of work.  Review findings of Technical Advisors and input into the practicalities of commercial implementation. |
| Review of the Project Documentation | Pricing & Payment | Review of pricing and payment mechanisms with the aim of assessing the mechanism to incentivise a good performance of services and whether they are being applied, and whether the unitary charge is being correctly calculated.    In particular, assess the following areas:   * The mechanism for any amendments to the service level specification or scope * Energy cost pass-through/gainshare provisions * Change in law provisions and funding * Indexation of the unitary charge – is the mechanism correctly applied in practice (to the unitary charge and to deductions) and is it in line with the financial close model?; * Impact of any variations (if any); * Any adjustments that should be made to the invoices. |
| Contract Management | Assessment of capability | A brief contract management review will be undertaken early on in the operational contract review process. This will allow an understanding to be developed of how well the contract is working currently. This will help inform the approach that the review should take to exploring and negotiating performance & savings opportunities at later stages of the review.    A contract management review will include an assessment of:   * The Procuring Authority’s existing arrangements for managing the day to day running of the PFI contract/ project; * Governance of the contract management function; * Whether the Authority’s and private sector’s management of the project is aligned with the contract; * Review of how routine, frequent and infrequent events are managed according to the contract; * Existing arrangements for knowledge management; * General review of the operation of the project and contract to date; and * Identification of areas where improvements can be made in line with developing best practice.     The review will be largely interview based but will involve consulting the contractual documentation and working in conjunction with the technical adviser’s review of records.    The assessment of the performance regime should include a review of the current performance monitoring reports during the last 12 months against the requirements of the Project Agreement to test the veracity and accuracy of the Contractor’s reporting.    The assessment should cover whether the helpdesk records all the performance issues occurring and whether the performance scores are accurately calculated.    It should assess the level of training of the operational management team and of helpdesk users. Areas for improvement should be highlighted.    The review should cover the provision and consideration of information required by the contract (eg maintenance plans)    It should conclude with an assessment of the Procuring Authorities contract management capability and next steps, if any. |
| Financial Model |  | Review the most up to date financial model comparing costs with the financial close model and benchmarks (in conjunction with the technical advisor), in particular in relation to:   * Cost contingencies; * Soft FM costs; * Hard FM costs; * Lifecycle costs; * Change in law; * Third party income; and * Energy (if modelled).     Identify the costs in the financial model associated with any given service or aspect of the contract being considered for amendment i.e. costs that should come out of the model with respect to revisions in project scope or service level. |
| Refinancing |  | To assess whether there is scope for the procuring authority to receive a gain, either lump sum or annual amounts, from the Contractor refinancing its debt facilities by assessing the change in market conditions between financial close, or previous refinancing, and present. If there is scope, then to assess the potential benefits. |
| Termination |  | To consider the financial impact on the public sector for both Contractor Default and Authority Voluntary termination contractual provisions. In addition to outlining the deliverability implications of both along with the risk positions that would pass back to the Authority.  This should include a value for money analysis of the options(s) including the estimated ongoing service provisions costs (as taken from benchmarks provided by the technical advisers. |

6.5 The Financial & Commercial Adviser outputs are as shown in the table below:

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| **Financial and Commercial Review Output** |
| Complete financial & commercial elements of the Project Summary to pull together the key facts and issues that are likely to be relevant to the review and highlight any relevant missing information. The Project Summary will be included in the Report & Action Plan at the end of the review.    Complete a **Financial & Commercial Report** that covers the relevant lines of enquiry. This includes a contract management review and an assessment of financial issues such as refinancing & termination and any risk allocations that could be altered to make efficiencies.    Provide financial and commercial contributions to the completion of the Opportunities Register produced.    Provide financial and commercial contributions to the body of the Report and Action Plan that appraises all the performance improvements and savings opportunities considered. The report will set out the performance improvements required, and the scope for potential savings, provides a saving quantification where possible and sets out the next steps required to implement the opportunities identified. |

LOT B:

6.6 Contract Review: The 10 week contract review will be undertaken by IPA, the Technical Adviser and the Financial & Commercial Adviser. The technical requirement is to produce a Technical Report and contribute to the Opportunities Register and Report & Action Plan.

6.7 Opportunities Register: The project lead (either the Lead Adviser or IPA) will facilitate the completion of an opportunities register that will record, and develop further, each of the potential service improvement or efficiency/savings opportunities.

6.8 Report and Action Plan: The project lead will prepare the Report and Action Plan pulling together the key findings from the technical and the financial & commercial reviews. It will focus on the main lines of enquiry and will set out the scope for the potential service improvement or efficiency/saving; explain the basis of monetary quantification; and set out the next steps required to implement the opportunities.

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| --- |
| **Report & Action Plan – Main Lines of Enquiry** |
| **Assets:**   * Does the asset condition meet contractual standards? * Have there been periods of unavailability? * Are rectification works required? * Is there backlog maintenance? * Is the contractor’s lifecycle fund adequate? * Is the asset fully utilised? * Could the asset generate third party income?     **Services:**   * Are the services being performed to contractual standards? * Is poor performance being addressed, both in terms of rectifying the issue and in terms of levying contractual deductions? * Does the service specification need to be updated for changing user requirements? * Can savings be made by removing services or by altering specifications &/or performance levels? * Can energy savings be made in price &/or volume terms?     **Contract Management:**   * Is the Authority actively managing the contract to ensure they are getting the services they have paid for? * Does a review of help desk and monthly service reports indicate any areas of concern?     **Commercial:**   * Are there any risk allocations that could be altered to realise savings?   **Refinancing/Restructuring:**   * Is there an opportunity to refinance/restructure the project to realise gains for the Authority? * How do the contracted debt terms compare to the current market?     **Termination:**   * Review of the financial and delivery impact of the contractual termination provisions. |

6.9 Contract Review Technical Adviser: The Technical Adviser outputs in respect of a facility type PFI project with typical services are as shown in the table below. An alternative scope will be developed in due course for other types of PFI infrastructure assets and/or services.

|  |  |  |
| --- | --- | --- |
| **Area** | **Subject** | **Element to be Reviewed Under This Assignment** |
| Contract Management | Availability of Key Project Agreement documentation & Information | Check if the following are available and are easily accessible.     * Up to date (including latest signed off changes) Project Agreement documentation with all listed schedules and the financial model for the contract * Contract for Services (Hard and Soft FM services) * Records of any dispensations agreed between contracting parties after financial close, especially any related to performance and/or standards of the output specifications |
| Operational Plans, Processes, Procedures and Standards | Review at least the following:   * If there are well defined processes and an operational contract management manual/plan that is focused on delivering the outputs of contracted services. * If the contract between the Authority and the Contractor has appropriate delegated authority to manage the contract effectively. * If both the Authority and the Contractor are adequately resourced and that staff are trained to carry out required output activities. * Determine if delivery of services by the contractor is well structured; outputs are understood by both contracting parties, and that the contractor and sub-contractors understand required standards and timeliness of the delivery of services that are contracted. * That the Authority’s organisation provides the contractor with information and appropriate contacts needed to deliver service such as named persons, utilisation plans, technical scope for variations, etc. * If there are any specific contract clauses around Intellectual Property Rights (IPR) and/or if these are understood and that contracting parties agree. See if requisite controls and processes are in place. * If contractual terms around warranties, indemnities and insurance are understood and are monitored by the Authority. * That contractual conditions on security and confidentiality are understood and are monitored by both the Authority and the Contractor, particularly issues relating to the security/confidentiality of personal data, access arrangement, etc. * Sample reviews on the process / procedure for costing and managing variations. * That the payment schedule for services are clearly defined, including the level of reporting and authorisations required to authorise payments and of the detail required on invoices. * Review that services payment incentive mechanisms (on the helpdesk/) match with KPI’s/ SLA’s of the contract. * If the payment profile is up to date (accounting for variations, refinancing, etc.) and that it reflects any changes made to the contract since services commencement? * If indexation apply, is it in accordance with the contract? * If contracted obligations include provision of variable costs (such as waste disposal, porterage, additional resources, are these in accordance with any transparency element of the contract). * If profit, overheads margins and or any other rates are clearly defined for variations. * If sub-contractors are used by the contractor, is their clear breakdown of their costs and related overheads and profits for both the sub and the main contractor? * Review if the financial model figures are accurately reflected in the provisions of the payment mechanism? * Is there an open book provisions in the contract and if so, is this used by the Authority? * That the payment mechanisms are documented (by agreed method statement / monitoring methodologies) and are well understood by all parties. * That payment processes are well defined and efficient; appropriate checks and authorisation processes are in place for paying invoices for services. * Review that the supplier is paid promptly in accordance with terms and conditions of the contract and that any performance issues (services deduction and/or availability deductions) are accounted for. * Checking to see if the Authority is aware if the payment terms of the contract are cascaded down the supply chain by the Contractor? * If the output specifications and associated KPIs (Inputs and outputs) of the contract are clear and agreed by both the Authority and the Contractor * If the Contractor’s delivery and monitoring is aligned with the specification? * If there are performance incentives linked to KPIs and if so, are they employed? * That insurance reports are provided by the Contractor and that submissions are in line with the contract. * Contract ownership and demarcation of the asset and services are clearly stated and that there is a senior responsible owner (SRO) for the contract / facility. * Clarity of appropriate skills, experiences and qualification needed by personnel for delivering its services obligations and that such records are updated. * There are clear contact points for both the Authority and the Contractor. |
| **The report on findings against the above areas should include recommendations for any shortfalls identified.** | | |
| **Output Services**    Provide a visual indication where weakness exists in the delivery of services. The rating should be as follows:    **Red** - Limited or information against the reviewing areas    **Amber** – Records and/or information against reviewing areas were available but these were either not complete or did not fully meet the requirement    **Green** – Record and information against reviewing areas fully met the requirements | Reporting and Governance | Review the following:   * If the contract deliverables have been reviewed since the commencement of services to ensure they remains fit for purpose. * Are the Contractor’s reporting obligations clearly defined in the contract (content, frequencies, etc.)? * If reports supplied by the contractor satisfied the contract on both quality and comprehensiveness? * Review if reporting obligations are directly linked with KPI/ SLAs and if so how effective are they? * Does the engagement between the Authority and the Contractor include Terms of Reference (ToR) for meetings (frequency, core attendance, standing agenda, chairing, administration, etc.)? * Review if the Contract Management processes are aligned with, among others, wider organisational governance processes, operational boards, and risk review scheduling. Is there QA system in place that is subject to audit? * If contract performance is reviewed through an agreed governance structure (such as formal contract review performance meetings) to provide opportunity for the Authority to agree or disagree on performance reporting by either the Authority or by self-reporting by the Contractor. * Are annual meetings held with attendance from senior representatives from the Authority and the Contractor? * Does specification include the requirement for contractor to provide a helpdesk and/or a need to log requests for services? If so, how effective is the helpdesk in logging request and do they correspond to KPI’s or SLA’s of the contract? * Review customer satisfaction survey provisions, where required do the survey provisions include requirements for data collection, analysis, reporting and follow up actions by the Contractor. Look for evidence on the effectiveness of such obligations? |
| Statutory and Mandatory Obligations | * Are the Contractor statutory and / mandatory obligations, with reference to asset conditions and services, clearly defined in the contract (e.g. H&S, Environmental, Building Regulations etc.)? * Review any know Health and Safety issues relating to the facility and the delivery of services by the Contractor * Review how the Contractor is delivering and reporting on its obligation with respect to environmental, health and safety requirements of the contract (safety files, hazard/near misses, environmental register, training register (Competent and Authorise resources, asbestos register, water regulations - control of legionella, COSHH, etc.) |
| Variations and Change | * Is the control provision in the contract for variations clearly defined and how is any burden or gain treated by the Authority and Contract? * Review evidence that the contractor adheres to deadlines and costs for managing and delivering variations? * Are all variations documented and that operating manuals, drawings, etc.? Are updated along with any future financial implication to the Authority. |
| Emergency response and business continuity | * If the contract includes obligations on the contractor to provide contingency and business continuity plans and if so are these agreed with the authority on comprehensiveness, quality, etc. |
| Disputes and escalation provisions | * Is there is a complaint procedure in the contract. If so, have there been/are any disputes with ownership and concrete timescales for resolution |
| Benchmarking and/or Market Testing | * Does the contract between the Authority and the Contractor includes Benchmarking / Market testing provisions? If, so has the provision been or about to be exercised? |
| KPIs and SLAs | * Evidence of clear understanding of how the KPIs/SLAs are implemented for the contract, if there are any disputes KPIs/SLAs and of the effectiveness of the KPIs/SLAs of the contract. * Evidence that Authority and the Contractor have same understanding of consequence of under-performance (check contractual provision and report how this is applied in practice) * Evidence that key end users know what the contractual SLAs/KPIs are on customer department’s intranet and that these are communicated effectively to end users). |
| Reporting and Performance Management | * Evidence of monthly performance reports submitted by the Contractor are in accordance with the contract requirement * Evidence that the performance reports include all the relevant information and is sufficiently detailed to satisfy payment for services. * Evidence that all the contracted services provision in the contract is being provided. * That KPIs/SLAs are still suitable for the required deliverables of the contract? * Evidence of performance reports regularly discussed in Supplier Performance meetings (minutes of relevant meetings) * Evidence of issues escalated by the Authority being promptly dealt with and resolved by the Contractor, including correct use of escalations and contractual remedies where required. * Review of reported under-performance addressed with Contractor * Detail of any systemic issues, which require contract change and/or technical/infrastructure solution. |
| Risk Management | * Risk Register includes current and on-going risks (not issues) relevant to the contract and up to date mitigation activities * Mitigation activities are reflected in Issues log/ Tasks/ minutes of meetings/ Change Control/ escalations as relevant and logged against appropriate KPIs/SLAs * Escalation and reporting routes are in place for risk governance. |
| Hard Services | * Review of the maintenance system and provide an assessment with respect to the completeness of the system. This is essentially a review of the relevant of the CAFM maintenance system. * Review of the current annual maintenance plan and delivery by the Contractor on the content of previous plans. Comment on any backlog / missed maintenance. Review of the maintenance should focus on at least the following:   o Electrical (HV & LV) including Emergency Standby Systems (Generators, Transformers, UPS, etc.)  o Water systems - Legionella control (Hot and Cold-Water Outlets, Tanks, Chlorination systems, etc.)  o Access System – Hoist, ladders and Fall arrest systems, etc.  o Ventilation systems (Air supply, treatment and cleanliness of distribution systems)  o Gas (natural, medical, etc.)  o Pressure Systems (Vessels, Boilers, Storage tanks, etc.)  o COSHH (Allocation of storage, signage, etc.)  o Cladding, Roof and Façade systems (Inspections, cleaning, integrity, etc.)  o Life safety systems / certifications (Fire, Emergency lighting, means of escape, Smoke ventilation systems, etc.)  o Confine spaces  o Essential plant compromised by being located in retained non PFI assets  o Surveys and remedial works  o Work arising from maintenance  o Conveying system  o Insurance and Statutory inspection  o Link between Helpdesk and CAFM maintenance system  o Fabric maintenance (Windows, walls, ceiling, floors, etc. and of any links with lifecycle plans  o Decontamination / pressurised control areas  o Major plant / equipment out of services – duration, number of failures, etc. outages  Air quality (Co2, rate of refresh / changes, etc.)  Boiler, chillers, air conditioning systems (HVAC – standalone or main systems)  Asset Management System (BMS, Emergencies Lighting Control Systems, Elevator Motoring Systems, etc. Links to KPI and performance  o Electrical Testing (PAT and distribution system)  o Foul drainage, water systems (gutters, drains, landscape, road surfaces, path maintenance, etc.  o Sanitation systems (frequency of cleaning visible and non-visible system such as foul stacks in assets)  o Energy Management System (Operational and effectiveness of any gain/loss arrangements in the contract)     * Review of any Lifecycle plan submitted by the contractor and cross-referenced to any repeated failures or persistent request for services such as temperature, water ingress, etc. * Benchmark the costs of Hard Services and Lifecycle costs (comparing to the costs in the financial model, indexed for actual inflation and taking account of variations):   o Review of the adequacy of the lifecycle costs based on the specific output requirements and of the utilisation and design. The analysis should include a comparison against market rates and published benchmarks or other suitable cost comparison data. The review to also the lifecycle maintenance funding and allocation / spend arrangements in the programme.  o Review of labour resource requirement for delivering services to meet output specification based on the schedule of PPM works, working arising from maintenance, failures, BMS or similar reporting systems and requests for services. This analysis should be against market rates and/or publish benchmark or other suitable comparison data. |
|  | Soft Services | * Cleaning – periodic and standards link to KPIs / SLA * Catering – Standards link to KPIs/SLA but also link to Hygiene and inspections (Works / Recommendations arising from Inspections) * Treatment and documentation of dealing with waste disposal – Hazardous, Confidential, Biological, etc.) * Security obligations – services link to KPIs covering guarding, reception, dealing with confidential / personal information – DPA, GDPR, etc. * Goods, Post and Reprographics services including labelling facilities – accuracy and link to any KPIs standards / performance * Review of the demarcation responsibility between hard and soft services with reference to high level access, grills, extract hoods in Kitchen, light fitting, cleaning of elevator shafts, etc. * If porterage service is an obligation review costs and check them against the contract clause. * Benchmark the costs of the individual Soft Service costs (comparing to the costs in the financial model, indexed for actual inflation and taking account of variations): Review of labour resource requirement for delivering services to meet output specification. This analysis should be against market rates and/or publish benchmark or other suitable comparison data. |
|  | Energy | * Review of the energy mechanism and risk profile and commentary on any scope for savings or incentive schemes. * Review the value for money of the energy pricing and energy consumption by comparing the performance of the building to high level benchmarking information. |
|  | Asset Utilisation | * Assess any opportunity for increased asset utilisation and comment on how this could be implemented. |
| **The report on findings against the above areas should detail observations and recommendations in a schedule for both the Hard and/or Soft FM Services** | | |
| **Asset Condition**    Percentage Sample Assessment of the Facility and Assets    For this section, the report based on sampling should reference requirement / standards of the contract and grading of findings should be as follows:  **Priority 1: Urgent / Emergency Work-Condition D**  **If not addressed immediately it will lead to disruption / loss of services, Life Expired and/is breach H&S requirement**    **Priority 2: Essential Work- Condition C**  If the shortfall is not addressed it could lead to disruption of services and consequential damages. Major defect and not performing as intended    **Priority 3: Required Scheduling of Works– Condition B/C**  Performing as intended but will fall to Condition C within next 5 years    **Priority 4: Maintenance Works – Condition B Performing /Standard as expected but exhibiting minor deterioration**    **Priority 5: Maintenance Works – Condition A Performing and Standard as expected** | External Hardstanding & Paving  (10% Sample) | * External hardstandings and pavings will to be assessed by means of a walkover in order to assess their general condition. This will include the provision of any bollards and barriers. |
| Structures and Foundation  (5% Sample) | * The facility will be inspected by surveyors, but not structural engineer. The inspection will be limited to exposed areas of the structure to evaluate the general condition of readily visible elements. Attend should be drawn to any defects identified that has the potential of causing harm. |
| Exterior Walls and facades  (10% Sample) | * The exterior walls and windows are to be visually assessed to determine the overall condition. The sample survey will be performed from the ground and at floor levels. Fabric of the building will be observed for evidence of water ingress, cracks, etc. |
| Roof  (20% Sample) | * The roof coverings and elements will be sample inspected from safely accessible areas to assess their general condition. Observations will be made of the general condition of the roofing, including flashings and penetration joint details. If readily accessible, the interior surfaces of the roof areas will also be observed for evidence of significant water damage. |
| Hoist, Latchways and Fall Arrest Systems  (10% Sample) | * Where these are installed they are to be sample inspected for physical integrity and of safe usage. |
| Rainwater and drainage systems  (10% Sample) | * Rainwater systems should will be sample inspected from a suitable vantage with comment on the condition of guttering and downpipes |
| Interior of Building  (10% Sample) | * Carry out sample inspection on the general condition of accessible staircases, corridors, floors, doors, and lighting (normal and emergency). Sample assessments to include floor covering, painting, fixtures and fittings, etc. |
| Windows, vents/louvres, doors and joinery  (10% Sample) | * Carry sample checks where accessible from ground and floor level. Check for installation for integrity general condition. Opening lights and doors should be tested for distortion or difficulties in opening and closing. |
| Floors  (10% Sample) | * Sample inspection of the surface of floors not covered by floor coverings should be carried out. Check for damage due to infestation, dampness poor construction and service installations. Assess physical integrity of compartmentation in duct and risers. |
| Above Ceilings (Voids)  (15% Sample) | * From sample inspections voids above suspended ceilings are to be examined for any defects or damage to fire protection and compartmentation. |
| HVAC and MEP System  (20% Sample) | * Carry out non-intrusive sample inspections of main systems to assess the current condition and age. Including HV/LV systems, Standby Power Systems (Generators, UPS, etc.). |
| Conveying Systems  (15% Sample) | * From visual sample inspection of the lift cars, lift motor rooms, lift shafts, etc. comment on the overall condition of these systems and on any recommendations arising from in-house maintenance or third-party inspections – routine or statutory. |
| Surface Drainage  (5% Sample) | * Sample inspection of surface drainage systems to be carried out covering runaway gullies, grill, soak-away, etc. |
| Cladding  10% Sample) | * Sample checking (visual only) of cladding should be carried in determining its integrity and of fire safety with respect to the type of material installed with reference to the O&M manuals. |
| Fire Protection/ Life Safety  (15% Sample) | * A sample review on the condition of the fire protection and life safety systems (including and call emergency systems, PAVA, etc.) is to be carried out. Reference to the standard and of any non-compliance identified should be noted and reported. |
| Catering Facilities  (10% Sample) | * Sample inspection of equipment (extract hoods, fire suppression, refrigeration, ovens, etc.) with catering areas is to be carried out. |
| Storage systems (10% Sample) | * Sample inspection of storage systems to include as a minimum for gas (natural and inert -medical), water, oil, etc. |
| **For the report, the review is to be against CIBSE guide M recommendations for MEP assets, and for infrastructure/ fabric it should be against Building Regulations Approved documents including Royal Institution of Chartered Surveyors (RICS) Codes of Practice.** | |

6.10 The Technical Adviser will complete a Technical Report that covers the relevant lines of enquiry and the requirements as stated above. Photographic evidence should be obtained for serious faults & issues.

6.11 The Technical Adviser will make technical contributions to the completion of the Opportunities Register and to the body of the Report and Action Plan that appraises all the performance improvements and savings opportunities considered.

Lot A and B

6.12 Contract Expiry: The Contract Expiry requirement is to provide advice on a series of health checks to assess the readiness of a PFI project to hand back assets (or other asset expiry options) and re-procure services.

6.13 Each review takes place over a week with preparation, with up to six hours of interviews and report & recommendations writing.

6.14 Prior to the review the PFI project team will be asked to provide information which should include the:

• Project bible;

• Financial model; and

• Brief summary of the project.

6.15 In addition, if available, it should also include any:

• Plan developed for exit;

• Methodology for assessing asset condition;

• Asset condition surveys;

• Latest lifecycle and maintenance reports;

• Latest SPV audited accounts; and

• Last 3 performance reports.

6.16 These documents should be reviewed before the Health Check is undertaken.

6.17 The field review work will comprise workshops sessions lasting up to 6 hours in total. The health check is based on a series of questions that cover the five key areas as shown below:

• Contract Awareness;

• Relationships;

• Asset Condition;

• Commercial Position; and

• Future Service Provision

6.18 The Financial & Commercial Adviser is expected to lead the Health Check and focus on Contract Awareness, Relationships, Commercial Position and Future Service Provision sections. The Technical Adviser is expected to focus on the Asset Condition section.

6.19 The output from the exercise is to gauge the position of contracts, to identify potential risks and to make recommendations to the procuring authority. The questionnaire is also scored and produces a RAG rating as to the project team’s readiness for the expiry of the contract. The final output is the PFI Expiry Health Check Report.

7. KEY MILESTONES AND DELIVERABLES

LOT A

7.1 Contract Review Project – Lead Adviser: The following milestones/deliverables shall apply for each deep dive contract review performed:

|  |  |  |
| --- | --- | --- |
| Milestone/Deliverable | Description | Timeframe or Delivery Date |
| 1 | Project Summary | Within week 2 of the Commencement of the individual Contract Review |
| 2 | Opportunity Register | Within week 9 of the Commencement of the individual Contract Review |
| 3 | Report and Action Plan | Within week 9 of the Commencement of the individual Contract Review |

7.2 Contract review project – Financial and Commercial Adviser: the following milestones/deliverables shall apply for each deep dive contract review performed:

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Financial and commercial elements of the Project Summary | Within week 2 of the Commencement of the individual Contract Review |
| 2 | Financial & Commercial Report | Within week 8 of the Commencement of the individual Contract Review |
| 3 | Financial and commercial contributions to the Opportunities Register | Within week 8 of the Commencement of the individual Contract Review |
| 4 | Financial and commercial contributions to the Report and Action Plan | Within week 8 of the Commencement of the individual Contract Review |

LOT B

7.3 Contract Review Project – Technical Adviser: The following milestones/deliverables shall apply for each deep dive contract review performed:

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Technical Report | Within week 8 of the Commencement of the individual Contract Review |
| 2 | Technical contributions to the Opportunities Register | Within week 8 of the Commencement of the individual Contract Review |
| 3 | Technical contributions to the Report and Action Plan | Within week 8 of the Commencement of the individual Contract Review |

LOT A

7.4 Contract Expiry Project: The following milestones/deliverables shall apply for each 5 day health check performed:

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Complete reviewer’s note, scoring and actions in the Health Check Questionnaire in all sections apart from the Asset Condition section | Day 4 |
| 2 | Draft the PFI Expiry Health Check Report | Day 5 |

LOT B

7.5 Contract Expiry Project: The following milestones/deliverables shall apply for each 5 day health check performed:

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Complete reviewer’s note, scoring and actions in the Health Check Questionnaire in respect of the Asset Condition section | Day 4 |
| 2 | Contribute to the PFI Expiry Health Check Report | Day 5 |

8. MANAGEMENT INFORMATION/REPORTING

8.1 The Supplier will provide a weekly written update to the Programme’s Senior Responsible Officer on:

8.1.1 Project status including key achievements and issues for attention.

8.1.2 Completion of deliverables and achievement of outcomes.

8.2 The Supplier will work with the project leads for Expiry and Contract Reviews and provide day to day input.

8.3 IPA will set up working groups for Expiry and Contract Reviews. The Supplier will meet as needed with members of the working groups. At these meetings, they will discuss the deliverables of the project, stakeholder engagement and review content. They will also raise potential blockers and identify enabling activities as appropriate.

8.4 The Supplier is required to bring to attention at these meetings any issues, concerns or potential delays in obtaining access to relevant material, information or individuals necessary to complete the work.

9. VOLUMES

9.1 Lot A and Lot B: Contract Review Project: IPA is planning to undertake 3 or 4 deep dive contracts ideally by the end of March 2021.

9.2 The actual number of deep dive reviews that each Adviser will support will be determined in due course.

9.3 Lot A and Lot B: Contract Expiry Project: IPA is currently planning to undertake 30 one-week health checks ideally by the end of March 2021.

9.4 The actual number of expiry health checks that each Adviser will support will be determined in due course

10. CONTINUOUS IMPROVEMENT

10.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

10.2 The Supplier should present new ways of working to the Authority during monthly Contract review meetings.

10.3 Changes to the way in which the Services are to be delivered must be brought to the Authority’s attention and agreed prior to any changes being implemented.

11. SUSTAINABILITY

11.1 Not Applicable

12. QUALITY

12.1 Effective and high standard quality assurance is a fundamental requirement for all work carried out by the Supplier.

13. PRICE

13.1 The bidders should provide day rates per grade of staff and estimate the fees they would charge per individual Contract Review or individual Contract Expiry Health Check:

Lot A

13.1.1 Lead Adviser role on an individual Contract Review; and

13.1.2 Financial & Commercial Adviser role on an individual Contract Review

13.1.3 Lead Adviser role on a Contract Expiry Health Check (day rates only.

Lot B

13.1.4 Technical Advisor role on an individual Contract Review; and

13.1.5 Technical Adviser role on a Contract Expiry Health Check (day rates only).

13.2 Grades and rates are as per this framework, or with a discount applied. Any volume discount for undertaking a number of Contract Reviews and/or Contract Expiry Health Checks should also be stated.

13.3 Subject to further internal spend approval, it is possible that further support to the PFI Contract Management Programme beyond the initial services will be required. The bidders should confirm that the day rates per grade of staff for further support would be the same as for the scoped work package above for the period to 31 January 2022.

13.4 Prices are to be submitted via the e-Sourcing Suite Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery.

13.5 Prices should set out the day rate per grade of staff for the proposed team members. In addition, for illustration purposes, the bidder should provide two fee estimates - one fee estimate for an individual deep dive review and another for one expiry health check. The Suppliers should also state any volume discounts that they propose to apply.

14. STAFF AND CUSTOMER SERVICE

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

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

14.3 The Supplier shall ensure that staff understand the Authority’s vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

15. SERVICE LEVELS AND PERFORMANCE

15.1 The Authority will measure the quality of the Supplier’s delivery by:

|  |  |  |  |
| --- | --- | --- | --- |
| KPI/SLA | Service Area | KPI/SLA description | Target |
| 1 | Resource | Allocate sufficient resource for the project | 100% |
| 2 | Delivery | Meet milestones and provide timely deliverables as set out in Section 7 above. | 100% |
| 3 | Reporting | Weekly written update report | 100% |

16. SECURITY AND CONFIDENTIALITY REQUIREMENTS

16.1 It is possible that on certain PFI projects the team members may need to have appropriate security clearance in order to access relevant data. Please indicate which of your staff members that you are planning to use to deliver the Services have Security Check (SC) level, or higher, clearance.

16.2 All work conducted should be considered confidential. We recognise that this assignment may require access to sensitive data both within government and the private sector.

17. PAYMENT AND INVOICING

17.1 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

17.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

17.3 Invoices should be submitted to: Infrastructure and Projects Authority, 1 Horse Guards Road, London SW1A 2HQ, for the attention of REDACTED

18. CONTRACT MANAGEMENT

18.1 The Contracting Authority will manage the contract in accordance with Key Milestones and Deliverable set out above.

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

19. LOCATION

19.1 The base location of the Services will be carried out at 1 Horse Guards Road, Westminster, London, SW1A 2HQ. Daily rates offered should be inclusive of travel & subsistence to this location.

19.2 The Supplier could also be expected to spend a significant amount of time at the PFI project location in order to deliver the Services.

19.3 It is, however, likely that as the current pandemic continues that a proportion of work will be done virtually.

Travel and subsistence are to be charged at Authority rates for work carried out at project locations.

**Annex 2- Call Off Tender**

REDACTED