

Schedule 3 (Charges)

1. How Charges are calculated

- 1.1 The Charges:
 - 1.1.1 shall be calculated in accordance with the terms of this Schedule;
 - 1.1.2 cannot be increased except as specifically permitted by this Schedule and in particular shall only be subject to Indexation where specifically stated in the Award Form; and
- 1.2 Any variation to the Charges payable under a Contract must be agreed between the Supplier and the Buyer and implemented using the procedure set out in this Schedule.

2. The pricing mechanisms

- 2.1 The pricing mechanisms and prices set out in Annex 1 shall be available for use in calculation of Charges in the Contract.

3. Are costs and expenses included in the Charges

- 3.1 Except as expressly set out in the Award Form, the Charges shall include all costs and expenses relating to the provision of Deliverables. No further amounts shall be payable in respect of matters such as:
 - 3.1.1 incidental expenses such as travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs, network or data interchange costs or other telecommunications charges; or
 - 3.1.2 costs incurred prior to the commencement of the Contract.

4. Other events that allow the Supplier to change the Charges

- 4.1 The Charges can also be varied (and Annex 1 will be updated accordingly) due to:
 - 4.1.1 a Specific Change in Law in accordance with Clauses 28.6 to 28.8;
 - 4.1.2 a request from the Supplier, which it can make at any time, to decrease the Charges;
 - 4.1.3 indexation, where Annex 1 states that a particular Charge or any component is "subject to Indexation" in which event Paragraph 7 below shall apply.

5. When the Charges are linked to inflation

- 5.1 Where the Charges are stated to be "subject to Indexation" they shall be adjusted in line with changes in the Consumer Price Index ("CPI"). All other costs, expenses, fees and charges shall not 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.
- 5.2 Charges shall not be indexed during the first 2 years following the Start Date.
- 5.3 Where Annex 1 states a Charge is subject to Indexation then it will be indexed on the date which is 2 years after the Start Date to reflect the percentage change in the CPI since the Start Date. They shall be indexed on each following yearly anniversary to reflect the percentage change in the CPI since the previous change.

5.4 Where the CPI Index:

- 5.4.1 used to carry out an indexation calculation is updated (for example due to it being provisional) then the indexation calculation shall also be updated unless the Buyer and the Supplier agree otherwise;
- 5.4.2 is no longer published, the Buyer and the Supplier shall agree a fair and reasonable replacement that will have substantially the same effect.]

6. When you will be reimbursed for travel and subsistence

6.1 Expenses shall only be recoverable where:

- 6.1.1 the Time and Materials pricing mechanism is used; and
- 6.1.2 the Award Form states that recovery is permitted; and
- 6.1.3 they are Reimbursable Expenses and are supported by Supporting Documentation.

6.2 The Buyer shall provide a copy of their current expenses policy to the Supplier upon request.

Annex 1: Rates and Prices

Table 1: Time and Materials

The Supplier (and its Subcontractor) shall not be entitled to include any uplift for risks or contingencies within its day rates

The rates below shall be subject to variation by way of Indexation

Staff Grade	Day Rate (£)
[TBC]	[TBC]
[TBC]	[TBC]

Table 2: Fixed Prices – Milestone Payments

The rates below shall not be subject to variation by way of Indexation

Type of Charge	Fixed Charge (£)
[TBC]	[TBC]
[TBC]	[TBC]

Table 2: Fixed Prices – Service Charges

The rates below shall be subject to variation by way of Indexation

Type of Charge	Fixed Charge (£)
[TBC]	[TBC]
[TBC]	[TBC]