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ATTACHMENT 16-5 OF THE SPECIAL TERMS

PSN SERVICES

CALL-OFF TERMS

SCHEDULE 5.1

CHARGES AND INVOICING

PART A: CHARGES

1. INTRODUCTION

This Part A sets out the provisions relating to the Charges including Milestone Payments, Service Charges, Service Credits, Delay Payments and changes to the Charges.

2. MILESTONE PAYMENTS

2.1 ~~On the issue of a Milestone Achievement Certificate in~~In relation to a Milestone the Contractor may deliver an invoiceparticular Operational Service Commencement Date, the Contractor shall be entitled to invoice eighty percent (80%) of the relevant Milestone Payment to the Customer Authority which relate to such Operational Service Commencement Date, when the Milestone Achievement Certificate has been issued in respect of the related Milestone Payment associated with that Milestone as set out in Appendix 10 of the Call-Off Form.

2.2 The Contractor shall be entitled to invoice the remaining twenty (20%) for such Milestones that relate to such Operational Service Commencement Date three (3) months after the Final Operational Service Commencement Date, provided that all the Milestones relating to the Operational Service Commencement Dates have attained their Milestone Achievement Certificates.

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2.3 Payment shall be made to the Contractor in accordance with Part B of this Schedule.

2.4 ~~2.2 The circumstances in which a Milestone will be considered to have been Achieved are set out in Schedule 4.2 (Testing Procedures)~~Any installed Services that are deemed in Operational Service prior to the issue of a Milestone Achievement Certificate payment shall not be made until the Milestone Achievement Certificate has been issued. Payment shall be made to the Contractor in accordance with Part B of this Schedule.

2.5 For the avoidance of doubt, where any element of any Milestone Payment is incurred by the Contractor prior to the relevant date for payment of such Milestone Payment, no invoice may be raised for any such element other than in accordance with Paragraphs 2.1 to 2.3 above.

3. SERVICE CHARGES

3.1 Following issue of any Milestone Achievement Certificate relating to implementation of an Operational Service Commencement Date, the Contractor shall be entitled to invoice the Customer Authority for the Service Charges for that Operational Service in each Service Measurement Period from the date of the relevant Milestone Achievement Certificate to the expiry or termination (however arising) of this Agreement (or such earlier date as otherwise agreed in writing between the Parties). The Service Charges are set out in Appendix 10 of the Call-Off Form.

3.2 Payment of the Service Charges shall be without prejudice to any rights the Customer Authority may have in respect of any future claw back following failure by the Contractor to achieve a related CPP.

3.3 For the avoidance of doubt, where any Service Charges for Operational Services are incurred by the Contractor prior to the issue of any Milestone Achievement Certificate relating to implementation of such Operational Service, no invoice may be raised for any such Service Charges element other than in accordance with Paragraph 3.1 above.

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Where a Contractor's Service Catalogue is required by the Customer Authority

- 3.4 ~~3.3~~ The Contractor's Pricing Catalogue shall be used, and shall include the necessary information, to calculate the Charges for each Service which falls within ~~Lots 6 and 7.~~ Lot 10.
- 3.5 ~~3.4~~ Appendix 10 of the Call-Off Form shall contain the relevant parts of the Contractor's ~~Pricing~~Service Catalogue that apply to the Services.

Expenses

- 3.6 ~~3.5~~ The Contractor shall not be entitled to be reimbursed by the Customer Authority for travel and subsistence (e.g. hotel and food) expenses incurred in the performance of the Services, except where specified otherwise in Appendix 10 of the Call-Off Form. Any expenses will only be agreed with the prior written permission of the Customer Authority and will be subject to the Customer Authority's Travel and Subsistence Policy as amended from time to time.

4. SERVICE CREDITS

The basis for the accrual and calculation of Service Credits is provided for in Appendix 4 of the Call-Off Form.

5. ~~5.~~ **DELAY PAYMENTS**

~~If a Milestone to which~~There are no Delay Payments apply ~~has not been Achieved by the relevant Milestone Date, then save where it is relieved from doing so under this Agreement, the Contractor shall pay Delay Payments~~under this Call-Off Contract. However, the Customer Authority in accordance with Appendix 10 of reserves its rights and remedies under the Call-Off Form Terms in respect of any Delays.

6. CHANGES TO THE CHARGES

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- 6.1 Subject to Paragraph 6.2 of this Part A, the Contractor shall not be entitled to increase the Charges save as agreed in accordance with Appendix 10 of the Call-Off Form.
- 6.2 The Charges may also be increased and decreased where and when permitted in Part B of Schedule 4 (Framework Agreement Variation Procedure) of the Framework Agreement.

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PART B: INVOICING

1. INTRODUCTION

This Part B sets out the method by which the Contractor shall raise invoices to the Customer Authority for payment, together with the requirements which apply to such invoices, and the payment terms thereof.

2. ~~2.~~ CONTRACTOR INVOICES

2.1 The Contractor shall prepare and provide to the Customer Authority via the Agency Manager for Approval a draft pro forma invoice within ten (10) Working Days (or such other period as the Parties agree in writing) of the Effective Date which shall include, as a minimum, the details set out in Paragraph 2.4 of this Part B together with such other information as the Customer Authority may reasonably require. If the draft pro forma invoice is not Approved by the Customer Authority then the Contractor shall make such amendments as may be reasonably required by the Customer Authority.

2.2 The Contractor shall be entitled to raise an invoice in respect of any payment which falls payable to the Contractor pursuant to this Agreement provided that each invoice is delivered to the Customer Authority within ten (10) Working Days after either:

2.2.1 the date on which the Milestone Achievement Certificate is issued in relation to a Milestone (as set out in Paragraph 2.1 of Part A of this Schedule); or

2.2.2 the end of the Service Measurement Period in respect of Charges for Services consumed in that period (as set out in Paragraph 3.1 of Part A of this Schedule).

In any event, all invoices must be provided to the Customer Authority within three (3) months of completion of delivery of the relevant Services to which the invoice relates. Subject to Paragraph 2.3 of this Part B, invoices delivered after expiry of this period shall be invalid and the Customer Authority shall have no obligation or liability in respect of such invoices.

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- 2.3 If the Contractor does not deliver a valid written VAT invoice to the Customer Authority within ten (10) Working Days after the end of the relevant Service Measurement Period the Contractor must provide a report to the Customer Authority that identifies any items which are due to, but cannot, be invoiced in that Service Measurement Period and the reasons why such cannot be invoiced.
- 2.4 The Contractor shall ensure that unless otherwise provided each invoice contains the following information:
- 2.4.1 the date of the invoice;
 - 2.4.2 a unique invoice number;
 - 2.4.3 the Service Measurement Period or other period(s) to which the relevant Charge(s) relate;
 - 2.4.4 the reference number for this Agreement subject to the inclusion of such reference number being within the constraints of the Contractor's billing systems to include this reference number;
 - 2.4.5 the reference number of the purchase order to which it relates (if any);
 - 2.4.6 the dates between which the Services subject of each of the Charges detailed on the invoice were performed;
 - ~~2.4.7 the methodology applied to calculate the Charges;~~
 - 2.4.7 ~~2.4.8~~ any payments due in respect of Achievement of a Milestone;
 - 2.4.8 ~~2.4.9~~ the total Charges gross and net of any applicable deductions and, separately, the amount of any disbursements properly chargeable to the Customer Authority under the terms of this Agreement and, separately, any VAT or other sales tax payable in respect of the same;
 - ~~2.4.10 the PSN Levy component of the Management Charge, expressed as in invoice line item;~~
 - 2.4.9 **NOT USED**

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- 2.4.10 ~~2.4.11~~ details of any Service Credits or Delay Payments or similar deductions that shall apply to the Charges detailed on the invoice;
- 2.4.11 ~~2.4.12~~ any other adjustment agreed between the Parties as applying to the relevant Service Measurement Period; the Contractor shall automatically credit the Customer Authority with any other adjustment in the next invoice then due to be issued under this Agreement;
- 2.4.12 ~~2.4.13~~ reference to any reports required by the Customer Authority in respect of the Services to which the Charges detailed on the invoice relate (or in the case of reports issued by the Contractor for validation by the Customer Authority, then to any such reports as are validated by the Customer Authority in respect of the Services); such reports shall not be included within the invoice and supporting documentation as required by the Customer Authority will be provided by separate cover;
- 2.4.13 ~~2.4.14~~ a contact name and telephone number of a responsible person in the Contractor's finance department in the event of administrative queries (which may be provided separately from the invoice with the Customer Authority's Approval) provided always that such queries have first been raised via the Contractor's self-service billing portal and that the ticket reference from the Contractor's self-service billing portal is provided; and
- 2.4.14 ~~2.4.15~~ the banking details for payment to the Contractor via electronic transfer of funds (i.e. name and address of bank, sort code, account name and number).
- 2.5 Each invoice shall at all times be accompanied by Supporting Documentation to enable the Customer Authority to reasonably assess whether the Charges detailed thereon are properly payable. Any assessment by the Customer Authority of the Supporting Documentation shall not be conclusive. The Contractor undertakes to provide to the Customer Authority any other documentation reasonably required by the Customer Authority from time to time to substantiate an invoice including information required to enable the Customer Authority to internally or externally cross charge.

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- 2.6 The Contractor shall submit all invoices and Supporting Documentation in such format as the Customer Authority ~~may specify in writing and the Contractor may agree~~ from time to time to the address specified in Appendix 10 of the Call-Off Form, with a copy (again including any Supporting Documentation) to such other person and at such place as the Customer Authority may notify to the Contractor in writing from time to time. The Customer Authority and Contractor agree to work together within the constraints of the Contractor's billing systems to change the agreed invoice format as may be required from time to time
- 2.7 All Contractor invoices shall be expressed in pounds sterling or such other currency as shall be permitted by the Customer Authority in writing.
- 2.8 The Contractor shall have the ability to submit electronic invoices (including by email) to the Customer Authority, and shall do so in respect of such elements of the Services as specified by the Customer Authority. Without prejudice to the foregoing, the Contractor hereby acknowledges and agrees that the Customer Authority may require the submission of invoices and credit notes via its "Purchase to Pay" system raised in connection with this Agreement as the Customer Authority may reasonably require subject always to the constraints of the Contractor's billing systems.
- 2.9 ~~2.8~~-An invoice shall be valid only if it complies with this Schedule. Where any invoice does not conform to the Customer Authority's requirements set out in this Paragraph ~~2.2~~, the Customer Authority will return the disputed invoice to the Contractor via the Contractors self-service billing portal. The Contractor shall promptly issue a replacement invoice which shall comply with the same.
- 2.10 ~~2.9~~-In respect of each Service Measurement Period, the Contractor shall submit to the Customer Authority within five (5) Working Days of the end of each Service Measurement Period a report providing details of all invoices raised by the Contractor in that Service Measurement Period (such report shall include each invoice amount, the total amount of all the invoices and the information set out in Paragraphs 2.4.1 to 2.4.5 (inclusive) of this Part B).
- 2.11 Any disputes in connection with any invoices shall be dealt with in accordance with Paragraph 16 of Appendix 10 (Charges and Invoicing).

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- 2.12 The PSN Levy component of the Management Charge shall be invoiced in a single but separate PSN Levy invoice issued monthly which will separate out each invoice billed for that period and state the associated PSN Levy.

3. PAYMENT TERMS

Subject to the provisions of Paragraph 2 of this Part B, the Customer Authority shall make payment to the Contractor within ~~twentythree~~ (2030) ~~Working Days~~ calendar days of receipt of a valid invoice by the Customer Authority at its nominated address for invoices. Without prejudice to Clause 45.17 (Termination by the Contractor), if the Customer Authority believes that it will be unable to make payment in accordance with this Paragraph 3 it shall notify the Contractor in writing and keep the Contractor informed of when payment shall be made.

