



Ministry
of Justice

Pricing Rules

Schedule 9

Validation

Validation Stage – Reimbursable

To be read in conjunction with the Schedule 7 FAC-1 Prices.

- Works carried out during the Validation Stage (as part of the FAC-1 Contract) will be fixed to the Supplier Alliance Member and will be based upon the rates and mark ups as agreed during the procurement phase and as detailed in Schedule 9 of this contract.
- For all elements of works the following will need to be provided:
 1. Extent of works and services to be undertaken. To be issued in editable Excel format by the Supplier Alliance Member lead project manager directly to the Client's Commercial Manager and Alliance Manager for review at monthly intervals.
 2. Proof of works being completed along with full sign-off by the Alliance Manager.
- Where the Supplier Alliance Member has employed any form of agency or subcontracted staff to undertake the works, the Supplier Alliance Member's Framework rates shall apply to the relevant grade of the resource who has carried out the work.
- The Supplier Alliance Member is to include for the surveys and activities within the cashflow. These are required to fulfil the Validation Stage and will be paid once the activity is complete to the Client's satisfaction.
- Where an indicative price and cost plan is required (Category 2 projects) these should be provided in accordance with the requirements of the Works Cost Plan as noted in the relevant section below of this document.

Future Stage 1 Fixed Cost

To be read in conjunction with the Schedule 7 FAC-1 Prices.

- Works carried out during Stage 1 will be fixed to the Supplier Alliance Member and will be based upon rates and mark ups as agreed during the procurement phase and as detailed in Schedule 9 of this contract.
- For all elements of works the following will need to be provided:
 1. Extent of works and services to be undertaken. To be issued in editable Excel format by the Supplier Alliance Member lead project manager directly to the Client's Commercial Manager and Alliance Manager for review at monthly intervals.
 2. Proof of works being completed along with full sign-off by the Alliance Manager.
- Where the Supplier Alliance Member has employed any form of agency or subcontracted staff to undertake the works, the Supplier Alliance Member's Framework rates shall apply to the relevant grade of the resource who has carried out the work.
- The Supplier Alliance Member is to include for the surveys and activities within the cashflow. These are required to fulfil the Stage 1 process and will be paid once the activity is complete to the Client's satisfaction.

Future Stage 2 Fixed Cost

To be read in conjunction with the Schedule 7 FAC-1 Prices.

- Works carried out during Stage 2 will be fixed to the Supplier Alliance and will be based upon the rates and mark ups as agreed during the procurement phase and as detailed in Schedule 9 off this contract.
- For all elements of works the following will need to be provided:
 1. Extent of works and services to be undertaken. To be issued in editable Excel format by the Supplier Alliance Member lead project manager directly to the Client's Commercial Manager and Alliance Manager for review at monthly intervals.
 2. Proof of works being completed along with full sign-off by the Alliance Manager.
- Where the Supplier Alliance Member has employed any form of agency or subcontracted staff to undertake the works, the Supplier Alliance Member's Framework rates shall apply to the relevant grade of the resource who has carried out the work.

Development of the Works Cost Plan

The works cost plan is to comprise of the following:

1. All elements of the works packages costs will detail quantities and rates. Granularity of cost plan to be agreed with the Cost Consultant.
2. All rates, prices and allowances included within the works packages cost plan are to be supported by sub-contract tenders or detailed budgets. This is to be concentrated upon major elements or elements where significant variance can occur. The Supplier Alliance Member preliminaries costs are not to be added to works packages.
3. Where existing project supply chain is not being used, works packages are to have been tendered to at least three suitably sought, as described elsewhere, or if budgets are being used at least two to give confidence that works packages cost plan allowances are accurate. All tenders and budgets must be fully detailed for in depth analysis to be possible. Evidence of appropriate market engagement must be provided. Where insufficient responses have been received then explanations direct from the market are to be given.
4. Fixed price preliminaries costs.
5. Fixed fee percentage.
6. Risk provisions, as agreed with the Client, Supplier Alliance Member and Cost Consultant.
7. Inflation provisions, as agreed with the Client, Supplier Alliance Member and Cost Consultant.
8. It is a requirement that the works packages cost plan is accurate to +/- 5%. This is necessary as the works packages cost plan is going to be used in the final business case submission in advance of the contract price submission from the Supplier Alliance Member. Any greater variance to the Stage 3 submission will case delay to the Final Business Case approval timescale and delay the project.

Agreed Works Package Prices Clarifications

Unless the Client and the Supplier Alliance Member agree otherwise, the Supplier Alliance Member shall calculate an agreed works package prices for each works package as follows:

1. Include amounts to become due to sub-contractors (other than any consultant who the Client requires to be novated to the Supplier Alliance Member), using the prices in the Successful Supplier Alliance Member's Pricing Submission received following the open book procedure described in FAC-1 Contract
2. Include amounts to become due to any consultant who the Client requires to be novated to the Supplier Alliance Member, using the fees and prices in the contract of appointment which is to be novated.
3. Include amounts for preliminaries in accordance with the Supplier Alliance Member's Pricing Submission for people and labour.
4. Include amounts for fee in accordance with the Supplier Alliance Member's Pricing Submission.
5. If there are no sub-contractor prices for any parts of the work packages, the Supplier Alliance Member shall price those parts of the works package on a fair and reasonable basis.
6. Include amounts for inflation where applicable.
7. Include amounts for risk where applicable.