

Call-Off Schedule 5 (Pricing Details and Expenses Policy)

1 Call-Off Contract Charges

1.1 The Supplier shall provide:

1.1.1 as part of the Further Competition Procedure, its pricing for the Deliverables is in accordance with the Buyer's Statement of Requirements.

1.1.2 for each individual Statement of Work (SOW), the applicable Charges shall be calculated in accordance with the Pricing Mechanisms detailed in the Order Form using all of the following:

- (a) the agreed rates for Supplier Staff and/or facilities (which are exclusive of any applicable expenses and VAT) incorporated into the Call-Off Contract; and
- (b) the number of Work Days, or pro rata portion of a Work Day (see Paragraph 2.3.1 of Framework Schedule 3 (Framework Pricing)), that Supplier Staff work solely to provide the Deliverables and/or the provision of facilities solely to be used for the Buyer's stated purposes of providing the Deliverables and to meet the tasks sets out in the SOW between the SOW Start Date and SOW End Date.

1.2 Further to Paragraph 2.2.2 of Framework Schedule 3 (Framework Pricing), the Supplier will provide a detailed breakdown of its Charges for the Deliverables in sufficient detail to enable the Buyer to verify the accuracy of any invoice submitted.

This detailed breakdown will be incorporated into each SOW and include (but will not be limited to):

- a role description of each member of the Supplier Staff;
- a facilities description (if applicable);
- the agreed day rate for each Supplier Staff;
- any expenses charged for each Work Day for each Supplier Staff, which must be in accordance with the Buyer's expenses policy (if applicable);
- the number of Work Days, or pro rata for every part day, they will be actively be engaged in providing the Deliverables between the SOW Start Date and SOW End Date; and
- the total SOW cost for all Supplier Staff role and facilities in providing the Deliverables.

1.3 If a Capped or Fixed Price has been agreed for a particular SOW:

- the Supplier shall continue to work on the Deliverables until they are satisfactorily complete and accepted by the Buyer at its own cost and expense where the Capped or Fixed Price is exceeded; and

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- the Buyer will have no obligation or liability to pay any additional Charges or cost of any part of the Deliverables yet to be completed and/or Delivered after the Capped or Fixed Price is exceeded by the Supplier.

1.4 All risks or contingencies will be included in the Charges. The Parties agree that the following assumptions, representations, risks and contingencies will apply in relation to the Charges:

2. How Charges are calculated

2.1. The Charges:

- 2.1.1. shall be calculated in accordance with the terms of this Call-off Schedule 5;
- 2.1.2. cannot be increased except as specifically permitted by this Call-off Schedule 5; and
- 2.1.3. any variation to the Charges payable under the Contract must be agreed between the Supplier and the Buyer and implemented using the procedure set out in this Schedule.

3. The pricing mechanisms

3.1. The pricing mechanisms and prices set out in Annex 1 and Annex 2 in this Call-off Schedule 5 shall be available for use in calculation of Charges in the Contract.

4. Costs and Expenses

- 4.1. Except as expressly set out in this Paragraph 4 and Paragraph 2 (*Pass-Through Costs*) of Annex 1 of this Call-off Schedule 5, or otherwise stated in the Order 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:
- 4.1.1. incidental expenses such as document or report reproduction, shipping, desktop or office equipment costs, network or data interchange costs or other telecommunications charges; or
 - 4.1.2. costs incurred prior to the commencement of the Contract.

5. When the Supplier can ask to change the Charges

5.1. The Charges will be priced in accordance with the applicable pricing mechanism noted in the tables in Annex 2 of this Call-off Schedule 5.

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- 5.2. Day Rates shall be indexed in accordance with the inflationary impact as evidenced by the Supplier and any indexation increase shall be capped at the movement in the Service Producer Price Inflation (SPPI) index for Professional, scientific and technical services, as published by the Office for National Statistics and found on the following link:

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/hsgg/sppi#>

- 5.3. In respect of any indexation adjustment, the first Indexation Review Date shall be the first day of the month of the second Contract Year and subsequent Review Dates shall be each anniversary of this date thereafter (each such date being a "Review Date").
- 5.4. The applicable Indexation adjustment shall be measured by the change in the most recently published SPPI index for that year. The amount, sum or rate at a point in time will then be adjusted by application of the following formula:

$$AM_i = (AM_u \times (\text{Index}_N / \text{Index}_{(N-1)}))$$

Where:

AM_i	is the indexed amount, sum or rate for the relevant contract period or year;
AM_u	is the unindexed amount, sum or rate for the relevant contract period or year. This shall be the amount, sum or rate at the commencement of the relevant contract period or year (which shall be inclusive of all indexation uplifts up to and including the period or year (N-1));
Index_N	is the average value of all twelve indices for the year ending three months prior to the date at which indexation is being applied. For the avoidance of doubt, for an Indexation Review Date of January 2026, the relevant average change will be that calculated for the year October 2024 to September 2025; and
$\text{Index}_{(N-1)}$	for all Indexation Review Dates other than the first Indexation Review Date, is the average value of all twelve indices for the year ending three months prior to the commencement of the year (N-1). For the first Indexation review date is the average value of all twelve indices for the year ending three months prior to the month in which the ITT return date falls.

- 5.5. For the avoidance of doubt, the optional extension years shall be based on the contract rates and Charges and will also be indexed in accordance with the provisions of this paragraph.
- 5.6. For all changes the Supplier shall give the Buyer at least three (3) months' notice in writing prior to the relevant Review Date. If the Supplier does not give

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sufficient notice, then it will only be able to request a change prior to the subsequent Review Date.

5.7. Any notice requesting a change shall include:

- 5.7.1. a list of the Charges to be reviewed; and
- 5.7.2. for each of the Charges under review, written evidence of the justification for the requested change including:
- 5.7.3. a breakdown of the profit and cost components that comprise the relevant part of the Charges;
- 5.7.4. details of the movement in the different identified cost components of the relevant Charges;
- 5.7.5. reasons for the movement in the different identified cost components of the relevant Charges;
- 5.7.6. evidence that the Supplier has attempted to mitigate against any increase in the relevant cost components; and
- 5.7.7. evidence that the Supplier's profit component of the relevant Charge is no greater than that applying to Charges using the same pricing mechanism as at the Contract Start Date.

5.8. The Buyer shall consider each request for a price change. The Buyer may grant or reject a change at its sole discretion.

5.9. Where the Buyer approves a change then it will be implemented from the first (1st) Working Day following the relevant Review Date or such later date as the Buyer may determine at its sole discretion and Annex 2 shall be updated accordingly.

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

6.1. The Charges can also be varied (and Annex 2 of this Call-off Schedule 5 updated accordingly) due to:

- 6.1.1. a Specific Change in Law in accordance with Clause 24 of the Core Terms;
- 6.1.2. a review in accordance with insurance requirements in Clause 13 of the Core Terms;
- 6.1.3. a benchmarking review in accordance with Schedule 16 Benchmarking;
- 6.1.4. a request from the Supplier, which it can make at any time, to decrease the Charges; and
- 6.1.5. A request from the Buyer to amend Schedule 20 Specification.

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7. Service Credits

- 7.1. Service Credits shall be calculated pursuant to the provisions of Call-off Schedule 14 (Service Levels).
- 7.2. Service Credits shall be shown as a deduction from the amount due from the Buyer to the Supplier in the invoice for the Service Period immediately succeeding the Service Period to which they relate.
- 7.3. The liability of the Supplier in respect of Service Credits shall be in accordance with the provisions of Call-off Schedule 14 (Service Levels) and within the Contract Order Form.

8. Supplier Invoicing

- 8.1. The Buyer shall accept for processing any electronic invoice that complies with the European Standard, provided that it is valid and undisputed.
- 8.2. If the Supplier proposes to submit for payment an invoice that does not comply with the European Standard the Supplier shall comply with the requirements of the Buyer's e-invoicing system. In the alternative the Supplier shall:
 - 8.2.1. prepare and provide to the Buyer for approval of the format a template invoice within ten (10) Working Days of the Effective Date which shall include, as a minimum, the details set out in Paragraph 7.3 together with such other information as the Buyer may reasonably require to assess whether the Charges that will be detailed therein are properly payable; and
 - 8.2.2. make such amendments as may be reasonably required by the Buyer if the template invoice outlined in this paragraph 7 is not approved by the Buyer.
- 8.3. The Supplier shall ensure that each invoice contains the following information:
 - 8.3.1. the date of the invoice;
 - 8.3.2. a unique invoice number;
 - 8.3.3. the Service Period term will be one (1) calendar month;
 - 8.3.4. the correct reference for this Contract;
 - 8.3.5. the number of the purchase order to which it relates;
 - 8.3.6. the Supplier's UK Valued Added Tax (VAT) number and any other relevant sales tax number;
 - 8.3.7. the dates between which the Services subject of each of the Charges detailed on the invoice were performed;
 - 8.3.8. a description of the Services;

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- 8.3.9. the pricing mechanism used to calculate the Charges;
 - 8.3.10. Variable Service Charge volumes supported during period;
 - 8.3.11. Variable Service Charge Price Bands and unit charges applied during this period;
 - 8.3.12. the total Charges gross and net of any applicable deductions and separately, any VAT or other sales tax payable in respect of each of the same;
 - 8.3.13. reference to any reports required by the Buyer in respect of the Services to which the Charges detailed on the invoice relate (or in the case of reports issued by the Supplier for validation by the Buyer, then to any such reports as are validated by the Buyer in respect of the Services);
 - 8.3.14. a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries;
 - 8.3.15. the banking details for payment to the Supplier via electronic transfer of funds (i.e. name and address of bank, sort code, account name and number); and
 - 8.3.16. where the Services have been structured into separate Service lines, the information at (8.3.7) to (8.3.11) of this Paragraph 8.3 shall be broken down in each invoice per Service line.
- 8.4. The Supplier shall invoice the Buyer every month following a Service Period in respect of Services in accordance with the requirements of this paragraph. The Supplier shall first submit to the Buyer a draft invoice setting out the Charges payable. The Parties shall endeavour to agree the draft invoice within 10 Working Days of its receipt by the Buyer, following which the Supplier shall be entitled to submit its invoice.
- 8.5. Each invoice shall at all times be accompanied by Supporting Documentation. Any assessment by the Buyer as to what constitutes Supporting Documentation shall not be conclusive and the Supplier undertakes to provide to the Buyer any other documentation reasonably required by the Buyer from time to time to substantiate an invoice.
- 8.6. The Supplier shall submit all invoices and Supporting Documentation through the Buyer's electronic system, Metis, or if that is not possible to HOSupplierInvoices@Homeoffice.gov.uk with a copy (again including any Supporting Documentation) to such other person and at such place as the Buyer may notify to the Supplier from time to time.
- 8.7. All Supplier invoices shall be expressed in sterling, or such other currency as shall be permitted by the Buyer in writing.

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8.8. The Buyer shall regard an invoice as valid only if it complies with the provisions of this paragraph. Where any invoice does not conform to the Buyer's requirements set out in this paragraph, the Buyer shall promptly return the disputed invoice to the Supplier and the Supplier shall promptly issue a replacement invoice which shall comply with such requirements.

8.9. If the Buyer fails to verify an invoice in accordance with Paragraph 8.8 of this Schedule 5, the invoice shall be regarded as valid and undisputed for the purpose of Paragraph 8.10 of this Schedule 5, payment in 20 days.

8.10. Payment Terms

8.10.1. Subject to the relevant provisions of this Schedule, the Buyer shall make payment to the Supplier within twenty (20) days of verifying that the invoice is valid and undisputed.

8.10.2. Unless the Parties agree otherwise in writing, all Supplier invoices shall be paid in sterling by electronic transfer of funds to the bank account that the Supplier has specified on its invoice.

9. Contents of this document

9.1. This Schedule includes the following annexes:

- Annex 1 - Rates and Prices;
- Annex 2 - Pricing Schedules;
- Annex 3 - Financial Pricing Model and Associated Documents; and
- Annex 4 - Buyer's Travel & Subsistence Policy.

Annex 1: Rates and Prices

1. Milestone Charges

- 1.1. The Milestone Payment for the relevant Milestone is determined by reference to Capped Time and Materials pricing mechanism.
- 1.2. On the Achievement of a Milestone and the granting of a Milestone Acceptance Certificate the Supplier shall be entitled to invoice the Buyer for the Milestone Payment associated with that Milestone.
- 1.3. The day rates set out in Table 1 of Annex 2 shall be used to calculate the relevant Charges, provided that the Supplier or Sub-contractor shall:
 - 1.3.1. not be entitled to include any uplift for risks or contingencies over and above the day rates set out in Table 1 of Annex 2;
 - 1.3.2. not be paid any Charges to the extent that they would otherwise exceed the cap specified against the relevant Charge in Table 1 of Annex 2 unless the Supplier has obtained the Authority's prior written consent. The Supplier shall monitor the amount of each Charge incurred in relation to the relevant cap and notify the Authority immediately in the event of any risk that the cap may be exceeded and the Authority shall instruct the Supplier on how to proceed;
 - 1.3.3. only be entitled to be paid Charges that have been properly and reasonably incurred, considering the Supplier's obligation to deliver the Services in a proportionate and efficient manner;
 - 1.3.4. for the avoidance of doubt the Supplier shall only be reimbursed for those hours properly worked to deliver the Services. The sum total of such hours may be less than the cap specified against the relevant Charge in Table 1 of Annex 2; and
 - 1.3.5. the Supplier shall keep records of hours properly worked by Supplier Personnel (in the form of timesheets) and expenses and costs incurred and submit a summary of the relevant records with each invoice. If the Authority requests copies of such records, the Supplier shall make them available to the Authority within 10 Working Days of the Authority's request.

2. Pass-Through Costs

- 2.1. The Supplier shall procure the elements of the service listed in this Call-off Schedule 5, Annex 1, paragraph 2.4 on a Pass-Through, all-inclusive basis.
- 2.2. In addition and from time to time the Buyer may seek to agree with the Supplier that other elements of the Services shall be classified as reimbursable on a Pass-Through Cost, all-inclusive basis.

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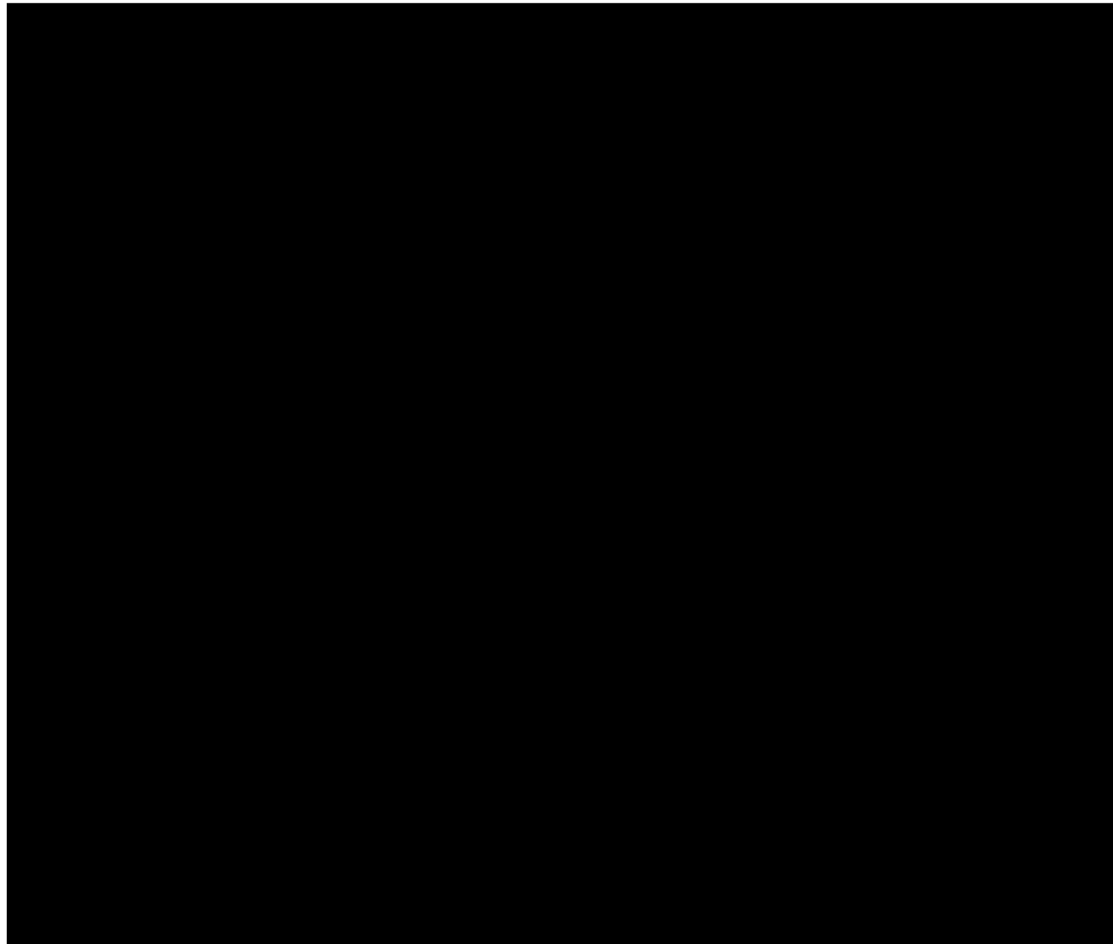
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- 2.3. For the avoidance of doubt, the Buyer shall reimburse Pass-Through Costs based on the verified purchase price as incurred, exclusive of management or other labour resource costs, additional charges, overheads or mark-ups.
- 2.4. The following elements of the service have been classified as Pass-Through Costs:
 - 2.4.1. Supplier Staff security clearances (excluding administration and management costs);
 - 2.4.2. Supplier Staff Travel & Subsistence to meet with Buyer outside of the Portsmouth area. For the avoidance of doubt, any persons from the Supplier who attend meetings at PTP will not be eligible for having travel expenses paid, but travel to meetings outside of the Portsmouth area, as part of contracted work can be reclaimed subject to the limitations and approvals in accordance with Home Office Policy, which will be shared with the successful supplier on commencement of the contract; and
 - 2.4.3. TUPE costs (excluding administration and management costs).

Annex 2: Pricing Schedules

These tables are extracted from the Financial Planning Model (FPM), the FPM shall constitute and be considered as the first Statement of Work (SoW) as described in the “Order Form – Schedule 6”. Please refer to the full FPM in Order Schedule 4. The rates below shall be subject to variation by way of Indexation.

Table 2: Rates

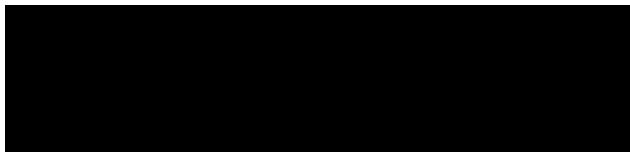


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Annex 3: Financial Pricing Model and Guidance



Annex 4: Travel Expenses Policy

Home Office Travel
Manual